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FIFTH CONFERENCE OF GOVERNORS, RICHMOND, VA., DECEMBER 3 TO 6.

Left to right, seated—Governors Tasker L. Oddie of Nevada, Adolph O. Eberhart of Minnesota, Robert S. Vessey of South Dakota, John A. Dix of New York, William Hodges Mann of Virginia, John K. Tener of Pennsylvania, Francis E. McGovern of Wisconsin, Eugene N. Foss of Massachusetts. Standing—Edwin L. Norris of Montana, W. W. Kitchin of North Carolina, Albert W. Gilchrist of Florida, Judson Harmon of Ohio, Joseph M. Carey of Wyoming, Cole L. Blease of South Carolina, Joseph M. Brown of Georgia, James H. Hawley of Idaho, William Spry of Utah, Frederick W. Plaisted of Maine, ex-Governor J. F. Fort of New Jersey, Emmet O'Neal of Alabama, ex-Governor Augustus E. Willson of Kentucky, John F. Shafroth of Colorado, Phillips L. Goldsborough of Maryland, Herbert S. Hadley of Missouri, and George W. Donaghey of Arkansas. (The gentleman next to Gov. Fort; and the one back of Gov. Donaghey are unidentified.

The fifth conference of Governors, held in Richmond, December 3 to 6, can be put down as a success in some directions and as a failure in others.

It was a success in that the Governors' conference became permanently organized, with a voting membership consisting of Governors and Governors-elect and a non-voting membership of retired Governors. It placed on record possibly for the first time in the history of the United States a roll call of the States, as represented by their Governors, on the subject of law and order. It also reached some definite action relative to the subject of rural credits, in that a committee of nine is to consider the form of law requisite to the adaptation of rural credit systems to American life. In these three particulars the fifth conference showed marked advance over preceding conferences which have been peculiarly inconclusive

The marked defects of the fifth conference were a lack of thoroughness in discussion, but not in papers, improper haste to get through the programme, and frequent disregard of orderly procedure. Two subjects were forced into each session and the four papers on the two subjects read right through without leaving any time for a discussion of each. The worst feature of all was that only one out of twenty-four newly elected Governors was present.

The movement for a Governors' conference has been called the greatest new idea, added to the deliberative machinery of legislation in the United States, since the Constitution. The series of meetings of the Governors that began in Washington in May, 1908, was continued in Washington in 1909, in Kentucky in 1910, in New Jersey in 1911, and in Virginia in 1912, is potent for good, but its highest value will not be realized until the participants in these conferences realize the important part which they can play in hastening uniformity of law in national essentials.

With one or two exceptions, the Governors of the States do not yet appear to realize the importance of the Governors' conference and the part that it can play in public affairs. The emphasis laid upon State's rights in the Democratic national platform of 1912 shows that the Governors' conference can be the greatest safeguard to State rights in that it can lead to essential social legislation of uniform character that lies clearly outside the powers of Congress, but that must be uniform throughout the nation in order to be beneficent. Forty or fifty subjects lie in this realm where uniformity must be secured.

The Constitution of the United States clearly defines the field for Federal legislation, and all powers not delegated to the government of the United States remain within the control of the individual States. Because there are forty-eight States, there have in many instances arisen disparities and contradictions of law that are injurious to national welfare. Using the well-discussed subject of uniform legislation relative to marriage and divorce as an illustration, it is evident that uniformity cannot be produced by act of Congress. The way to produce uniformity is by the co-operative action of independent States. It has hitherto been impossible and it will doubtless ever remain impossible to bring together the legislators of the various States into one body to discuss and to decide upon subjects where uniformity is requisite and yet where uniformity has hitherto seemed practically unattainable. It is in this realm which has been defined as a "twilight zone" between Federal powers and State powers that the Governors' conference can come to fill not merely a good place in the working out of legislative programmes, but may prove to be the only way to secure uniformity of thought quickly.

All of this and more was in the vision of William George Jordan, when in 1907 he began to agitate the formation of what he called the "House of Governors" which originated the present Governors' conference. He showed that there is a realm of State law, of United States law, and of united-State law, and it is in the third division, united-State law, that the usefulness of the Governors' conference comes most decidedly into sight.

The Governors, after permanent organization, selected as the secretary of the conference, M. C. Riley, of the Legislative Reference Library in Madison, Wis. This was an important step because in the interval of meetings this official becomes the point of contact for each Governor with each Governor on matters of public interest. His duty will be to keep up a constant interchange of information between all the Governors. This is vital, for the members of the conference are in forty-eight different States as widely separated as it is possible for citizens to be. Their personnel is also subject to constant change. It would seem advisable that the conference should establish permanent headquarters, in order that its activities be made continuous throughout the year, making the body practically always in session.

Modern Penology.

This subject was taken up by the Governors' conference at its first business session, December 3. It was altogether too broad for treatment in two papers. The discussions that followed were nationally discursive and led to statements by Gov. Blease of South Carolina on lynching, which diverted the attention of the conference not only in this session, but also invaded the discussion of marriage and divorce, on the afternoon of December 5, and completely disturbed the vital subject of rural credits, on December 6.

Gov. Shafroth of Colorado, in his paper on modern penology, pleaded for leniency wherever possible. His descriptions of Colorado methods showed the importance of human sympathy for the prisoner and the good results that have accrued. He declared that severe punishment had proved no deterrent to crime. Certainty of punishment, in his opinion, with an opportunity to shorten the sentence through labor and good behavior, not only punished the criminal, but served as a deterrent against future crimes and as an incentive to reform. He advocated the system in vogue in Colorado, under which gangs of fifty men worked without guards, save at night, on the public roads, and expressed the hope that the time was near when the State could do more than this and pay the convict a nominal wage for the work he performed.

He was followed by Gov. Baldwin of Connecticut, who declared that he was more in sympathy with "the classical school of penology" than the "new or noisier one, mainly made up of sentimental humanitarians or theoretical psychologists." Flogging, in some cases, for children; the whipping post for violators of certain laws, and sterilization of assailants of women, were advocated by Gov. Baldwin.

Gov. Donaghey of Arkansas declared for a severe penalty for lynchers, and said no punishment, except death, would deter the murderer. "Why, it has come to pass," he declared, "where a man is certain of punishment if he should steal a horse, but where, nine times out of ten, he is able to go scot free if he commits a murder."

Continued on Page Eleven.

Marriage and Divorce.

The question of uniformity in marriage and divorce laws was ably discussed in two papers, one by Gov. Oddie of Nevada, who spoke from the viewpoint of Nevada relative to liberal divorce laws, and the other by Gov. Hawley of Idaho, who spoke in a more conservative strain. Gov. Oddie stated that in all likelihood a longer period of residence would be required in Nevada in the future than had been true in the past. He denied, however, that liberal divorce laws in Nevada were matters of recent development.

In the discussions that followed it became very evident that the Governors present all felt the necessity of uniformity since the absence of uniformity led to confusion and in some cases to serious wrong to the children of marriages contracted subsequent to divorce. Through various speeches ran the idea that if possible divorce laws should be available in a State to the citizens of that State only, so as to avoid the scandals of divorces arranged at places remote from the State where the cause of divorce lay.

Gov. Hadley of Missouri stated that in his opinion laws in other States besides Missouri can be used to prevent fraudulent divorce suits. He explained that in Kansas City, where divorces were for a time very frequent, and in some cases scandalous, proctors were appointed whose duty it was to investigate all the facts surrounding an expected divorce suit, and thus by the presentation of facts in court prevent the fraud. The effect was immediately valuable.

Gov. Blease of South Carolina pointed out that in his State no divorces were ever granted. The general feeling of the Governors, however, seemed to be that divorce was a necessary corrective of conditions that could be actually intolerable to the party—man or woman—who might be suffering wrong. Several Governors spoke against legislative divorces, that is, divorces granted by special acts of Legislatures.

Resolution of the Governors' Conference, Called Forth by Statements of Gov. Blease of South Carolina

Resolved, *That it is the sentiment of the Governors' Conference, in session at Richmond, Va., December 6, 1912, that the whole power of the several States should be used, whenever necessary, to protect persons accused of crime, of any kind, against the violence of mobs; and to provide for speedy, orderly, and impartial trials by courts of competent jurisdiction, to the end that the laws for the protection of life and property may be duly enforced and respected by all the people.*

Child Labor.

Kate Barnard, of the department of charities and corrections of Oklahoma, addressed the Governors at the close of the morning session of December 5. She made a most striking plea for children who labor. She emphasized the fact that this nation in the later development of the world must meet other great nations in the conflicts of commerce. Success will rest upon this nation only providing its children are given full chance for best development. She also pleaded for the mothers who have to labor in factories.

Woman's Suffrage.

Miss Mary Johnston, the well-known authoress, and Mrs. Valentine, of Richmond, appeared before the Governors on the subject of Woman Suffrage. Both ladies made a strong presentation of the subject. The appeal was made on the grounds of humanity and not on the grounds of femininity; on the score of justice to one-half the population who now, with the exception of eight States, were still without voice in public affairs.

Waterways.

A very elaborate argument relative to the development of inland waterways was made in the session of December 5 by Gov. Foss of Massachusetts. He said, in part: "The history of American waterways shows that State authority has failed and that the opportunities of effective Federal administration have been neglected. The result has been that the waterways of the United States have never been developed as a system upon any national scale, but have been improved principally through the efforts of Congressmen to get a share of the "Rivers and Harbors" appropriations for their respective districts, and the efforts of those districts and of the States, independently of Federal aid, to help themselves. The secret of the success of the great commercial countries of Europe lies in their remarkable foresight, in the way in which they have prepared for expanding trade and commerce, and in the location of their great commercial centers. Practically all of the great seaports of Europe have been equipped with modern transportation facilities far in advance of their actual require-

Continued on Page Eight.

State Income Tax.

The papers read on this subject by Gov. McGovern of Wisconsin and ex-Gov. Willson of Kentucky were most exhaustive and suggestive; but neither was later discussed to advantage. In view of the relation of this subject to the approaching amendment of the Constitution of the United States, permitting the Federal government to exact an income tax, that portion of the paper by Gov. McGovern relating to the equalizing tendency of the income tax in Wisconsin is quoted elsewhere at some length.

For the same reason part of ex-Gov. Willson's comments upon Kentucky and its relation to Federal rights of taxation are included elsewhere. His concluding remarks were as follows:

"In conclusion, the Federal government has in the customs and internal revenue taxes the least felt, the easiest collected, and the fairest tax measures known in governmental practice. The only tax of like character left for State, county, and municipal governments is the income tax and they need it.

"The income tax would do successfully what the personal property tax is meant to but cannot do.

Continued on Page Two.

Drift to Cities.

Gov. Eberhart of Minnesota spoke at length of his experiences in checking the drift of population from farms to cities. He stated that the problem was financial, educational, and social—that many moved to the cities in order to secure more ready money; that large numbers moved to the cities for the educational advantages offered their children, and that many sought social advantages and diversions by coming into touch with the crowded populations of cities. His anaylsis of the situation showed him that monotony and lack of entertainment were more potent causes for deserting the country than were even financial causes. Therefore, in the work of his State great attention had been given to creating an institution in the country that should combine both city and country advantages. This institution had taken form as a consolidated school. The centralizing of schools and the opening of schools as social centers were exerting a marked influence.

Gov. Hadley of Missouri followed with a very careful statement relative to various lines of endeavor that had been made by the Catholic Church and by the State in Missouri. He gave it as his opinion that in newly settled territory it would be well to approach the European system of a farm village, thus preventing the depressing isolation which is common when farm houses are widely separated. He showed also that through the activities of Archbishop Glennon several villages had been established, made up of men of similar faith or nationality.

Gov. Mann of Virginia touched very lightly upon the excellent plan which has been worked out in his State, by the United Agricultural Board. It was unfortunate that he did not more fully explain how wise a movement this has been in preventing duplication of agricultural effort by Federal, State, or educational authorities.

The closing statement was from Gov. Donaghey of Arkansas, who was convinced that by the newspapers, through educational sources, and by every other available means, farmers must be persuaded to dignify their task and to realize its important relation to the success and greatness of the country.

Rural Credits.

The discussion of this subject was very unsatisfactory, due to the fact that after the papers of Governor O'Neal of Alabama and Ambassador Herrick had been read the question of adopting a resolution in favor of law and order came up. Dr. Lillian Johnson, who was present to report on a trip to Rome and a visit to the International Institute of Agriculture and to David Lubin, was prevented from speaking.

This subject, however, is one so closely related to the stability of the agricultural population of America that we include in this issue of The Nation's Business much reference to it. Governor O'Neal presented an admirable paper, the opening and closing portions of which are here included.

The resolution adopted by the Governors indorses a plan of financing rural credits, yet to be detailed, but similar to those abroad. It provides for the appointment of a committee of nine Governers to draft such a plan and a bill legalizing it. This bill must be submitted to the Governor of each State in the Union, and upon approval of two-thirds shall be sent to the legislatures of the various States for enactment. The nine will be Governors O'Neal, Johnson of California, Plaisted, Foss, Hadley, Harmon, Mann, McGovern, and Carey.

Governor O'Neal of Alabama introduced his subject as follows:

"It has long been recognized that the failure of our financial system to provide methods by which our farmers could procure money, at reasonable interest, for their legitimate requirements, constituted one of its most serious and gravest defects. Yet while this defect has been admitted, it was not until recent years that any remedy for this condition was suggested. Owing to the absence of proper banking facilities for agricultural needs, the farmer has been compelled to apply to the loan brokers, merchants and private individuals for that capital which the legitimate conduct of his business required, and to pay not only heavy commissions, but, generally, exorbitant and usurious interest. The necessary result has been that agriculture, which constitutes the chief source of our national wealth, and the most

Continued on Page Three.

State Income Taxation As Applied in Wisconsin

Portions of Speech of Gov. Francis E. McGovern Before the Governors' Conference, Richmond, December 5.

"Amid the clashing of divergent interests and the endeavor of each social class to roll off the burden of taxation on some other class we discern the slow and laborious growth of the standards of justice in taxation, and the attempt on the part of the community as a whole to realize this justice. The history of finance, in other words, shows the evolution of the principle of faculty or ability to pay—the principle that each individual should be held to help the State in proportion to his abilty to help hmself."

So wrote Prof. Seligman in introducing to the public his well-known treatise on income taxation. The statement is so satisfactory that I can think of nothing better with which to begin this paper. Consciously or unconsciously the public mind has long turned to this as the correct principle of all sound fiscal legislation. In harmony with this thought the poll or capitation tax was adopted in primitive communities. But when property began to accumulate the injustice of the poll tax as the sole source of public revenue became manifest. It was then superseded by the general property tax. This latter system worked very well so long as property consisted mostly of land only; but with the rise of personalty, especially intangible personalty, the multiplication of the professions and positions compensated by salaries and fees, the creation of credit and its general use in commercial affairs, the general property tax departed each year farther and farther from the requirements of justice, until, as the sole or even the principal source of public revenue, it was discarded everywhere except in the United States.

Taxation next fell upon expenditure. In the changed conditions of a more complex civilization this was thought a better criterion of ability to pay. As prosperity increased, however, the defects in this plan became obvious. It favored the rich while falling heavily upon the poor. So, as Prof. Seligman has pointed out, expenditure was abandoned as the sole test of faculty.

The succeeding stage in the development of a fiscal policy was the adoption of a tax on business in the form of product, or produce taxation. The "real taxes," so-called, of France and Germany, as opposed to the personal taxes, illustrate this phase. But it was soon found that in fact taxes are paid by persons, not by things, and that all taxes are ultimately paid out of income. Thus income—especially net income—was finally selected as the best test of one's ability to contribute to the support of government. It marks the final stage in the development of the philosophy of taxation. The great increase of wealth in modern times, the creation of gigantic individual fortunes, and total failure of all attempts fully to tax intangible personal property, contributed powerfully to re-enforce this tendency. Insistent and increasing demands, therefore, have everywhere been made for the establishment of system of income taxation.

With the general nature, objects, and underlying principles of this method of raising revenue you are all sufficiently familiar. I shall, therefore, confine what I have to say upon this subject to the recent legislation of my own State and the success that has attended its enforcement.

Old System Breaks Down.

The reason an income tax was demanded by the people of Wisconsin was that the old system of personal property taxation had broken down. As to this there is no disagreement. Not in Wisconsin alone, but everywhere, the old method of trying to raise revenue by taxation of intangible personal property has completely failed. Instead of adequate revenue justly obtained the result almost uniformly has been inequality, discrimination, evasion, and, so far as this source goes, increasing deficiency.

Speaking of the entire country Mr. Lawson, of Boston, has just said in a magazine article that $60,000,000,000 out of the $131,000,000,000 constituting the total wealth of the United States are represented by stocks and bonds alone. However, this may be, it is safe to say that in Wisconsin the value of personal property at least equals that of real estate. Each should therefore bear the same amount of the public burden; but the fact is that last year personal property paid less than 18 per cent of the general property tax, while land contributed over 82 per cent. In many of the States the situation is even worse. I am told that in some of the larger cities of the East, where vast quantities of intangible property are owned, the assessed valuation has fallen to less than 2 per cent of the taxable value of land. Thus men of great wealth through the ownership of this class of property escape practically all taxation. Meanwhile the workingman and small merchant are required to make up the deficiency by increased taxes upon their slender stock of goods and modest homes.

A careful investigation of 473 estates by the Wisconsin tax commission revealed taxable securities, such as stocks, bonds, &c., worth $2,266,105, which had been assessed the year before at only $74,995, or less than 3 1-2 per cent of their true value. The tangible personal property belonging to these estates, such as household furniture, pianos, wagons, carriages, &c., was worth only $148,309, but was assessed at $80,390, or 54 per cent of true value. Thus the securities, which were worth fifteen times the tangible personalty, had actually been assessed for less. An investigation recently conducted in the city of Milwaukee showed that 200 persons had $12,000,000 invested in mortgages, stocks, and bonds in other States, and thus kept them entirely off the tax roll.

Inequality and Injustice.

Failure such as this to assess all property subject to taxation inevitably produces inequality and injustice as between individuals. The same results are worked out also among the several municipalities of each county. The per capita assessment, for instance, of moneys and credits in the city of Milwaukee last year was $29.38, and in the rich and prosperous town of Wauwatosa, immediately adjoining Milwaukee on the west, it was only 30 cents. In the village of Whitefish Bay in the same county it was $11.07, and in the wealthier and more prosperous village of North Milwaukee it was only 27 cents. In the city of Kenosha it was $105.95, and in the prosperous town of Pleasant Prairie, close at hand, it was only 6 cents.

So also of the counties within the State. The assessed value of moneys and credits in Kenosha County last year was $71.68 per capita, while in the neighboring county of Ozaukee, which is quite as prosperous, it was $4.41. In Columbia County it was $16.85, while in the neighboring and wealthier county of Dodge it was but $2.94. In Green County it was $34.58, but only $9.52 in the wealthier county of La Fayette, just adjoining, and but $8.03 in Iowa County, immediately west of both. In Winnebago County it was $15.26, and in Kekaunee, one of the prosperous Lake Shore counties of the State, but 98 cents. In Douglas County it was but a fifth of a cent, and in six counties of the State there was no assessment of moneys and credits whatever. In Kenosha County the assessment amounted to $2,360,000, while side by side, in the neighboring and richer county of Racine only $663,000 were assessed, and in Douglas County, containing the second largest city in the State, only $100 worth of moneys and credits were found.

These and other similar irregularities in assessment of property inevitably destroyed uniformity of taxation; but they did more. They introduced a vicious system of class legislation. A careful investigation of the assessments of 2,237 persons shows that if the assessment of the property of farmers be placed at 100 per cent, that of merchants would be only 63 per cent and that of manufacturers but 37 per cent. In other words upon the same amount of property farmers were assessed two and seven-tenths times as much as manufacturers.

Worse still, the poor were systematically discriminated against in favor of the rich. The plain fact is that under this system the poorer a man was the higher proportionately he was assessed and the richer he was the lower he was assessed. Taking the assessment of persons whose personal property amounted to less than $1,000 at 100 per cent, those whose possessions ranged between $1,000 and $10,000 were assessed only 82 per cent as high; those who owned more than $10,000 and less than $50,000 were assessed at 60 per cent; those who owned more than $50,000 and less than $500,000 were assessed at 43 per cent, and all who owned over $500,000 were assessed at only 28 per cent. If a more serious criticism can be made of any fical scheme than this, I should like to have it suggested.

Revolution by Reform.

Observe in the first place that it was such facts as these that led Prof. Kinsman, who assisted in drafting our income tax law, to say: "The French nobility, prior to the revolution, were made exempt from taxation by law; the favored class in America have become exempt by operation of law." In France this condition resulted in a revolution; in America revolutions are averted by reform. The specific form of remedy adopted in Wisconsin for the evils here sketched was a graduated income tax with proper exemptions.

It is not an additional tax, but a substitute for the old broken down system of personal property taxation. Under the new law many classes of personal property, such as money, credits, stocks, bonds, mortgages, household goods, wearing apparel, mechanics' tools, and farm machinery are entirely exempt. Moreover, the tax upon all classes of personal property that are still assessable is allowed as an offset to the income tax. The practical effect of this provision has been well-nigh to abolish all personal property taxation. As soon as the results of income taxation justify it, undoubtedly the personal property tax will be completely wiped out and local gov-

Continued on Page Four.

THE TAX FIGURES OF THE NATION.

From returns made directly to the "Wall Street Journal," not hitherto collected or tabulated, the actual burden laid upon the taxpayer from all sources, other than the protective tariff, can be estimated. The figures are due to the courtesy of the various State treasurers. Only four States failed to furnish them, and these are estimated from the census returns.

It is startling to see that in only ten years the expenditures in all the States have risen from $189,000,000 to $423,000,000. At a similar rate of increase, about 127 per cent, the county and municipal taxes, which in 1901 were $917,000,000, had reached the enormous sum of $2,082,000,000 in 1911, making a total for State and local purposes of $2,505,000,000. Here are the returns by States:

State:	Fiscal Yr. Ending	Total Revenues 1911-12	Total Revenues 1901-02
Alabama	Sept. 30, 1911	$5,897,039	$2,882,200
Arizona	June 30, 1912	1,192,350	564,486
Arkansas‡		*3,351,640	1,436,417
California	June 30, 1912	21,445,957	7,688,675
Colorado		*3,789,500	1,624,073
Connecticut	Sept. 30, 1911	8,229,651	3,233,900
Delaware	Jan. 8, 1912	691,880	415,187
Florida	Dec. 31, 1911	1,368,306	1,791,896
Georgia	Dec. 31, 1911	6,177,370	3,716,443
Idaho	Sept. 30, 1910	3,814,985	456,773
Illinois	Sept. 30, 1910	†25,471,183	*6,398,844
Indiana	Sept. 30, 1911	11,617,442	5,499,269
Iowa	June 30, 1910	†9,032,470	*3,026,494
Kansas	June 30, 1910	7,236,016	2,786,844
Kentucky	June 30, 1911	7,013,331	4,816,593
Louisiana	Dec. 31, 1911	7,182,305	3,565,975
Maine	Dec. 30, 1911	5,020,677	2,029,053
Maryland	Sept. 30, 1911	9,581,605	3,852,986
Massachusetts	Nov. 30, 1911	29,805,633	13,391,384
Michigan	June 30, 1911	14,832,378	6,876,680
Minnesota	July 31, 1911	19,873,280	6,220,033
Mississippi	Sept. 30, 1911	4,335,322	1,972,852
Missouri		*12,225,925	5,239,682
Montana	Nov. 30, 1910	1,500,000	1,165,849
Nebraska	Nov. 30, 1910	†11,345,357	*2,028,621
Nevada	Dec. 31, 1911	994,882	399,750
New Hampshire	Aug. 31, 1911	2,707,535	748,456
New Jersey	Oct. 31, 1911	12,560,065	5,769,680
New York	Sept. 30, 1911	71,214,919	23,258,950
New Mexico	Nov. 30, 1910	2,025,445	538,473
North Carolina	Nov. 30, 1911	3,911,225	1,700,551
North Dakota	Oct. 31, 1911	4,665,522	911,672
Ohio	Nov. 15, 1911	16,700,460	9,378,750
Oklahoma	June 30, 1912	2,654,000	741,842
Oregon	Sept. 30, 1910	†3,752,940	*1,222,557
Pennsylvania	Nov. 30, 1911	32,116,978	19,597,486
Rhode Island	Dec. 31, 1911	2,600,820	1,509,567
South Carolina	Dec. 31, 1911	3,857,521	3,533,434
South Dakota	June 30, 1911	4,422,782	1,273,328
Tennessee§	Dec. 19, 1908	†1,132,900	*2,632,386
Texas	Aug. 31, 1911	8,981,634	7,751,738
Utah		‡2,417,557	1,036,096
Vermont	June 30, 1912	2,869,896	1,186,284
Virginia	Sept. 30, 1911	6,919,853	3,960,752
Washington	Sept. 30, 1910	8,757,748	2,399,982
West Virginia	Sept. 30, 1911	6,226,809	1,785,048
Wisconsin	June 30, 1910	†25,235,511	*5,732,879
Wyoming	Sept. 30, 1910	2,457,617	414,989
		$461,066,224	$189,165,172

‡Estimated. *One year. §Returns from Tennessee are both antiquated and dubious. †Two years.

Municipal Costs Omitted.

If, to this gigantic total, which is merely the State, and not the municipal taxation, is added the annual appropriations of the Federal government, which now exceed $1,100,000,000, the cost of our government for a single year is $3,605,000,000, or nearly $200 per family of five persons, with every tendency to increase. In 1911 the population of our forty-eight States was 93,792,509 persons. The tax burden, therefore, is no less than $38.50 per capita, establishing a record in public expenditure which no other nation on the globe approaches, or presumably, is anxious to emulate.

Canada's Official Year Book records that during the past three years nearly 400,000 persons, mostly farmers and their families, have quitted the United States to settle there. Some may have sold their lands in the States; others must have abandoned them in silence, with the sacred associations that surrounded them; and all must have felt that nothing but dire necessity had urged them to such a step.

This sinister movement has been attributed to the desire for cheap lands in Canada. But, as there can be no advantage in abandoning improved lands for unbroken ones, relinquishing what you already own for what has to be purchased, there must be another and deeper reason. This is surely in the ominous pressure of a tax system that levies over $200 a year upon the families of the fleeing emigrants.

Facsimile of Joint Resolution Relative to Federal Income Tax

Sixty-first Congress of the United States of America;

At the First Session,

Begun and held at the City of Washington on Monday, the fifteenth day of March, one thousand nine hundred and nine.

JOINT RESOLUTION

Proposing an amendment to the Constitution of the United States.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which, when ratified by the legislatures of three-fourths of the several States, shall be valid to all intents and purposes as a part of the Constitution

"ARTICLE XVI. The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration."

J G CANNON
Speaker of the House of Representatives.
J S SHERMAN
Vice-President of the United States and
President of the Senate.

States which have notified the Secretary of State of their action on the proposed income tax amendment to the Constitution of the United States.

RATIFICATIONS.

ALABAMA	August 17, 1909.
ARKANSAS	April 22, 1911.
ARIZONA	April 9, 1912.
CALIFORNIA	January 31, 1911.
COLORADO	February 20, 1911.
GEORGIA	August 3, 1910.
IDAHO	January 20, 1911.
ILLINOIS	March 1, 1910.
INDIANA	February 6, 1911.
IOWA	February 27, 1911.
KANSAS	March 6, 1911.
KENTUCKY	February 8, 1910.
LOUISIANA	July 1, 1912.
MAINE	March 31, 1911.
MARYLAND	April 8, 1910.
MICHIGAN	February 23, 1911.
MINNESOTA	June 12, 1912.
MISSISSIPPI	March 11, 1910.
MISSOURI	March 16, 1911.
MONTANA	January 31, 1911.
NEBRASKA	February 11, 1911.
NEVADA	February 8, 1911.
NEW YORK	July 12, 1911.
NORTH CAROLINA	February 11, 1911.
NORTH DAKOTA	February 21, 1911.
OHIO	January 19, 1911.
OKLAHOMA	March 14, 1910.
OREGON	January 23, 1911.
SOUTH CAROLINA	February 23, 1910.
SOUTH DAKOTA	February 3, 1912.
TENNESSEE	April 11, 1911.
TEXAS	August 17, 1910.
WASHINGTON	January 26, 1911.
WISCONSIN	May 26, 1911.

REJECTIONS.

CONNECTICUT	September 27, 1911.
NEW HAMPSHIRE	March 2, 1911 (Senate).
RHODE ISLAND	April 29, 1910.
UTAH	March 9, 1911 (House).

VOTES YET TO BE TAKEN.

	Legislature meets in
DELAWARE	January, 1913.
FLORIDA	April, 1913.
MASSACHUSETTS	January, 1913.
NEW JERSEY	January, 1913.
NEW MEXICO	January, 1913.
PENNSYLVANIA	January, 1913.
VERMONT	Now in session.
VIRGINIA	January, 1914.
WEST VIRGINIA	January, 1913.
WYOMING	January, 1913.

Representative Cordell Hull of Tennessee, who is the authority on income tax legislation among the members of the Ways and Means Committee, and who wrote the draft of the excise bill that was passed by the House at the last session, will doubtless write the income tax law in consultation with Representative Oscar W. Underwood. Mr. Hull is now in Washington, studying this question, in which he has been interested for many years. Mr. Hull yesterday set forth his idea of an income tax as follows:

"This tax more nearly than any other approaches the perfection of fiscal wisdom. None denies that it is absolutely sound in theory. Wise, simple, and effective, it would meet and cope with all the developments of our industrial affairs. The underlying basis of all systems of taxation is that each man should pay taxes in proportion to his means, real and personal. The income tax would oblige the citizen to contribute annually a fair proportion of his net gains to the maintenance of the government.

Cannot Injure Business.

"The rates of the income tax can easily be raised or lowered within a week's time, helping rather than hurting business, by reason of its stability. With this tax in operation we cannot again behold the shameful scenes enacted during the passage of the Payne tariff law—Congress struggling for five months to revise the tariff; lobbyists swarming like locusts through the corridors of the Capitol, demanding their respective shares of protection's plunder; business at a standstill and in suspense awaiting the outcome, suffering a loss, it is said, of $10,000,000 a day.

"Nor would the operation of this tax influence prices when its rates are changed, or at any other time, because it does not rest on consumption, but upon the income of wealth."

STATE INCOME TAX.

Continued from Page One.

"Our experience, with every Congress of all parties, is that they will always collect and spend all they can and dare, and as the last House of Representatives voted appropriations in excess of $1,000,000,000, it is reasonable to expect that the next House will make still greater appropriations, if it can raise new revenues from incomes, and will collect just as much from customs as usual, simply changing the basis in some cases from the protective plan, and the same internal revenues and the income taxe besides.

"The income tax is the last and only revenue-producing measure which is left for home governments, and it is the last revenue-producing States' right left to the States, and as there is no hope of the Federal government surrendering any customs or internal revenues to the States, but on the contrary, the Federal internal revenue licenses on distillers, liquor dealers, and tobacco usurp a vital part of immense revenues peculiarly due to the State which bears all of the harm and expense arising from their business, it is vitally important for the States to have the tax.

"If the United States invades the States' income tax field, it will go far to defeat all hope of remodeling the general property tax system and the general property tax. The income tax takes a percentage on incomes—the personal property tax, paid literally, takes the whole or most of the income. The personal property tax and Federal income tax together would take all the income of all investments, except in lands for farming, and that would tend to set everybody to farming, while the destruction of investments would leave neither capitalists nor employers to buy the farm products.

The Federal income tax will tend to expose those subject to personal property tax and force them to lose practically all income on investments in safe securities and thus hamper future investments in securities and arrest, if not destroy, all enterprises depending on such investments.

For these reasons I oppose the Federal income tax amendment and favor the State income tax."

Both Govs. McGovern and Willson declared that the taxation of intangible personal property has proved a failure. Gov. McGovern declared that in Wisconsin the income tax was not a new tax, but a substitute tax. He also declared that this country would not hold together unless an end was brought to tax dodging and the possibilities of evasion consequent upon differing systems in neighboring States.

Ex-Gov. Willson showed that the ratification of the proposed Federal income tax amendment of the Constitution was irregular in his State.

Gov. Donaghey of Arkansas stated that the constitution of his State provides that the Governor shall approve or disapprove of all bills. The Federal income tax amendment was approved by the Legislature, but disapproved by him on the ground that the levying of an income tax was a right of the State.

Gov. Dix of New York expressed the opinion that the inheritance tax of his State would come into conflict with a Federal income tax.

A GOVERNOR'S CRITICISM.

The rapid change in the membership of the conference renders necessary a different system of organization than has heretofore been maintained. We have met, discussed problems of grave concern to the States, and returned to our respective homes. Much of actual value has been accomplished, but the conferences have not been the potent factor they might have been. We have received information that has been extremely valuable to us in the discharge of our official duties, but public opinion has not been influenced. No definite position has been taken upon any question, no consensus of opinion has been expressed, and no fixed purpose has been accomplished.

These conferences may be made the medium through which many public policies can be formulated and advanced for popular approval. Unusual care has been exercised in avoiding any appearance of trespassing upon the prerogatives of Congress. There seems to be no reason for this timidity on the part of the Governors. All national questions and policies are intimately related to the States. The Governor is the one official who represents and is in closest touch with all the people of his State, and he may with all propriety speak upon any question that touches their interest.

The suggestions of William George Jordon, for the organization of a House of Governors, contained more of merit than the plan that has been followed.

(Extract from the response of Gov. Norris of Montana to the address of welcome by Gov. Mann of Virginia).

The Federal Income Tax versus State Income Tax

Portions of Speech of ex-Gov. Willson of Kentucky Before the Governors' Conference, Richmond, December 5.

Gov. McGovern has presented so clearly and in such an interesting way the Wisconsin State income tax, that it seems to me that I can be most useful in taking up the bearing of the proposed Federal income tax on the State income tax.

As all taxes must be paid out of incomes, that tax, like the tithes of the Scriptures, is not only the best and fairest of all taxes, but is the oldest, and if collected for home use in the locality where other contributors live and know something of each other's circumstances and any man's evasion of it puts any part of his burden on his neighbors, it will, in the long run, be the most just, the most reasonable, and the least evaded form of revenue collection, while its collection for the Federal government, far from each neighborhood, will result in evasions and opposition to the tax and to the government. I believe that a State income tax, enforced and fairly understood, will be paid better and felt less oppressive than any State tax under the old system.

I am very earnestly in favor of abolishing the present general property tax as grossly unfair and unequal and the present personal property tax as startling in its efficiency, inequality, and the universal, and, indeed, necessary concealment of securities from a tax which would, if literally enforced, confiscate all or nearly all income of every safe investment.

What I have to say on the bearing of the Federal income tax under the sixteenth amendment, yet to be ratified or disapproved by States represented here, will perhaps especially interest the Governors whose States have not yet acted on it, but is on a subject important to all.

The dispatches show that prominent Congressmen are already preparing bills to raise $100,000,000 a year of Federal income taxes in anticipation of the ratification by the time the bills will be reached. If that amendment goes into effect, our consideration of any State income tax will be almost academic, for no party could hold power in any State if it should uphold a State income tax on top of a Federal income tax of a hundred million of dollars or more a year. Income taxes are bitterly opposed as inquisitorial and if used to collect in Wisconsin five or six millions of dollars for the United States and three or four millions more for the State, there will be an explosion and an upheaval in Wisconsin, and so in every State.

Kentucky's Burden.

In Kentucky, the State revenues are about seven millions, the annual expenses over eight millions, the Federal customs and internal revenue collections some millions more than the State's total revenues. On the $100,000,000 basis Kentucky will pay from two to three millions of Federal income tax besides some millions of customs and internal revenue, under the ratification brought about by a political party caucus resolution and voted on in the Legislature practically by acclamation, without consideration or discussion of the most important change in our government since the Constitution was adopted. The Legislature would not have been willing to consider, much less have dared to levy, a State income tax of two to three millions of dollars to pay the deficit for which interest bearing State scrip, slow and progressively slower in payment, has been issued and is outstanding, of over two millions, one hundred thousand dollars, but it made a "joy ride" of giving the Federal government power to levy it, and take it away to Washington, while the State income tax would be spent in the State and pay its debts and uphold its honor and credit. This is one of the strange fruits of party politics and caucus government, that the Commonwealth of Kentucky, historically noted for its devotion to the Constitution of our fathers, the resolutions of '98 and States rights, should blindly fall in with the movement to revolutionize the Constitution hallowed by age and tradition and grant to the Federal government the greatest encroachment on State rights and State revenues ever proposed in our history.

Increased Federal Revenues.

The ratification of this amendment will confer on Congress the power to enact an income tax on every one's income and earnings, regulated at the will and pleasure of Congress, from large incomes to the smallest, and will hinder, if not exclude, all State governments from raising any revenues by income tax, and add to the Federal taxing power in customs duties and internal revenue taxes this new and vast revenue producing tax, which is now an unquestionable right of the States. This amendment will raise increased Federal revenues, when it seems to most people the present Federal powers, producing over $1,000,000,000 a year, are ample for every need of Congress, except in case of war or other great emergency, while the revenues of the State are, generally, not enough for their needs. The amendment does not limit the Federal income tax to the emergencies in which Congress might need it.

The proposition began as a part of the war on the protective tariff, but it was introduced by the Republican administration and seconded by the Democrats and soon became a Democratic measure, though opposed by many thoughtful Democrats, not only as taking for the nation what it does not need and from the States what they do need, but also by many conscientiously devoted to State rights, as a new and dangerous, encroachment of the national government on the States.

The amendment is in these words:

"Article XVI. The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States and without regard to any census or enumeration."

Let me say, to show my point of view, that, until as Governor I came to represent the interests of the State government, my ideas were on the lines of thought of Hamilton and the policies of the Republican party, largely suggested by the conditions developed in the war for the Union and the frequent inefficiency of the State governments in matters and I was inclined to favor a strong centralized government. But when my work as Governor led to my making the State my chief care, I came to see more clearly the vital importance of home rule in the States and the need of holding fast to the wise check of our dual system on the Federal government.

Questionable Ratification.

In view of the probable early ratification of the amendment, I hope that it will not tax your patience to give my understanding of the status of the amendment in Kentucky. As Governor, I received the official letter of the Secretary of State, transmitting it to Kentucky, before the session of the General Assembly. I need not take time now to refer to the records, but it will do to state the facts broadly, from recollection. The Hon. Ollie James, Congressman, now Senator-elect from Kentucky, got the caucus of the Democratic members of the Legislature to make the ratification a party measure, and, without the transmission by the Governor to the Legislature of the official letter of the Secretary of State, or any official basis for legislative action, and without any power, it seems to me, to act on the matter, a resolution of ratification was prepared and passed both houses by acclamation, without consideration or any discussion, but the measure was so hastily drawn that it omitted from its copy of the amendment the words "on incomes," so that it read, in the resolution as enrolled and transmitted to the Governor for approval, "The Congress shall have power to lay and collect taxes—from whatever source derived, &c," and was not the resolution adopted by Congress and was therefore void and on that ground was returned to the House without approval.

I did not defeat it by letting it stand as it was, but called the attention of several of the leading Democratic members to the omission and, as the journals showed when examined by the Attorney General of Kentucky, Judge James Breathitt, at my request, a resolution was introduced "to correct the enrollment" of the resolution by inserting in it the omitted words "on incomes," but at the time when this last resolution was adopted the resolution so ordered to be corrected was on the Governor's table, was never recalled, never in the possession of either house or enrollment committee and the enrollment never was corrected, but the resolution remained in the Governor's possession until long after the resolution to correct the enrollment was passed, and was finally returned, uncorrected, with the disapproval of the Governor, and was in fact void, whether the disapproval was material or not; and instead of the resolution correcting the original resolution, another resolution of ratification, not then shown by the journal of either house, with the words "on incomes" inserted, came to the Governor and was not acted on by him.

The legislative end executive records then showed the facts as I have set them out and did not show the introduction nor adoption of the resolution so transmitted as another resolution of ratification, while I still had on my desk the defective resolution and both were in my keeping, together. In ample time for its consideration, the official letter of the State Department and copy of the amendment were sent to the General Assembly for its consideration with a brief special message, and thereupon, as the legislative journals showed, a resolution of ratification based on the official papers passed the House, but failed in the Senate. On this state of facts, I believe that the Legislature of Kentucky has not in fact, as reported in the papers, ratified the amendment, but that is a matter for decision in another forum and may become immaterial by ratification by enough States without Kentucky.

The Governor's Message.

In preparing to send the amendment to the Legislature, I wrote a message, but because of the precipitate action did not send it in, which I prefer to use at some length here because it bears on the question here and was part of the work of the time and written for that purpose and not for this argument, on the States' need of the income tax and opposing the Federal invasion of this great field of revenue. I quote for the paper:

"My own first impression was favorable to this measure to strengthen the hands of the general government in case of war or other emergency, but, as the amendment, as actually drawn . . . . would enable Congress to lay any tax it pleases on incomes, from salaries of State officials and from State, county, and municipal bonds issued for governmental purposes, it seemed to me that this might make it impossible for any State, county or municipality to borrow money necessary for governmental purposes at the lowest market rates and would at least add, to the interest which they would have to pay, some part of the income tax and at the same time would cut off from the States any practical benefit of the power to tax incomes when necessary for State purposes. It seemed to me the most serious encroachment on the rights of the States since the organization of our government, and I delayed the transmission of the resolution in order to present it to the General Assembly more at length, but the matter was taken up without waiting for it to come through the channel which is proper, if not necessary, to give the General Assembly jurisdiction to consider it.

"It is not the province of the Governor, and I do not wish in any way to hinder or delay the action of the General Assembly, but if it had been transmitted in the shape in which it was adopted, it might be treated as void, and I think it my duty to point this out to the General Assembly so that the action will not be left in doubt.

"I trust that it will not be considered out of place for me to draw attention to the fact that this amendment . . . . will give Congress power to add an enormous fund to the already very great expense authorized, amounting to more than $1,000,000,000 in one Congress . . . . in ordinary times as well as in cases of emergency. If the amendment had been limited to cases of emergency I should join all patriotic citizens in doing everything possible to give the government power to employ for the defense of our country all the men and all the property of all the country, including the incomes, but this amendment is not so written. If the incomes of the people of Kentucky are to be taxed, we all know that the State needs the money . . . .

"Under Section 89 of the constitution of Kentucky every resolution in which the concurrence of both houses may be necessary, with certain exceptions not material here, shall be presented to the Governor, and, before it shall take effect, be approved by him; or being disapproved, shall be re-passed by a majority of the members elected to both Houses.

"Neither the party platform in favor of an income tax, nor the party caucus have, as far as I can learn, given any thought to the plain fact that this amendment subordinates to Federal control that great attribute of the sovereignty of the State, the unimpairable power to borrow money. . . . .

"The Attorney General now holds that the corporation income tax includes income from government bonds. Of course, then he would hold that it would include every State, county, and municipal bond.

"Who shall say to the State of Kentucky that she shall no longer have the power to issue tax-exempted bonds? Do the members of the General Assembly who can say it wish it? Why should they surrender to any other sovereignty this essential attribute of sovereignty?

"I see no difficulty in starting another proper amendment in place of this, giving Congress power to lay an income tax, but not on incomes 'from whatever source derived' . . . . .

(The paper then covered many legal opinions and ended as quoted under "State Income Tax" on page 1 of this issue.)

Senator Fletcher's Address In the White House

The President of the Southern Commercial Congress Before the Adjourned Governors' Conference in Washington Dec. 7, 1912.

Mr. President: I thank you for this opportunity to say a word in this presence on what I conceive to be one of the most important subjects now stirring the American people.

The Southern Commercial Congress, by permission of the Department of State of the United States, secured Hon. David Lubin, American delegate to the International Institute of Agriculture, Rome, Italy, to guide the conference on Co-operative Rural Credits, which was held in Nashville, Tenn., April 1-6, 1912. Twenty-seven States were represented. The complete outline of the European systems of co-operative rural credits, as published by the International Institute of Agriculture, was used as a text by the delegates in the conference. It was unanimously decided that a commission of, for, and by the farmer should be assembled, to be composed of two delegates from each State, for the purpose of going abroad for a full investigation of the European systems of co-operative agricultural finance. The purpose of securing a commission of such size was to bring into one unit the combined ability of representatives of all the States, and for the further purpose of having two men of recognized capacity to convey the findings of the commission to their respective States and to assume positions of leadership in the crystallization of the plans in securing the enactment of Federal and State legislation for the establishment of some practical and efficient system of rural credits in the United States.

The Southern Commercial Congress entered immediately upon the campaign of publicity and education throughout the United States. Planks indorsing the investigation were written into the platforms of the Republican, Progressive, and Democratic parties. The President and managing director of the Southern Commercial Congress presented in person the plank adopted by the National Democratic party in Baltimore. On August 15 the Senate of the United States unanimously indorsed the commission in the following resolution:

> "Therefore, be it resolved, That the Congress of the United States in recognition of the valuable service to be rendered the United States in the investigation of the European systems of agricultural finance, hereby indorses the proposed American Commission and invokes for it the diplomatic consideration of the countries to be included in the itinerary."

Great Organizations Indorse.

The investigation of the European systems has been further indorsed by the International Institute of Agriculture, President Taft, the State Department, the Farmers' National Congress, the Farmers' Educational and Co-operative Union of America, the American Association of Agricultural Colleges and Experiment Stations, the American Association of Commercial Executives, the Southern Association of Agricultural Workers, the National Drainage Congress, the American Bankers' Association, and scores of State and national organizations interested in the solution of rural economic problems.

More than one-half the delegates, from all parts of the United States, have already been secured. Provinces in Canada have asked permission to send delegates to the American Commission. Arrangements have been made for the commission to leave New York April 26, on the Saxonia, of the Cunard Line, and returning, leave Queenstown, July 18, on the Cedric, of the White Star Line. The itinerary includes Italy, Austria-Hungary, Germany, Denmark, Switzerland, Sweden, Belgium, Holland, France, England, Ireland, and the Balkan States.

If it is desirable to have the farmer obtain a higher price for his produce than he now receives—this inquiry is worth while.

If it is desirable to have these same products reach the consumer at a lower price than he now pays—this inquiry is advisable.

If it is desirable to loosen the hold of the trusts on the products of the farm—this inquiry is important.

If it is of moment to afford facilities for the producer to procure needed money on terms reasonable and just—this study is justified.

If there is a call for making the farmers' securities, land values, available in such sort as will form the basis, through co-operation or the establishment of groups, for financial operations similar in character to those of any organized industry, then this investigation should be made.

American farms to-day, valued at $40,000,000,000, will not be accepted by the banks as security for an aggregate of $5,000,000,000; whereas, according to the German standard, co-operative groups ought to be able to use that security for a credit of $20,000,000,000 at the lowest rate of interest next to government bonds.

If we would like to find a way to save the farmers of the country millions of dollars every year in interest and otherwise encourage agriculture—we should lose no time ascertaining how it is done in other countries and see if we cannot apply such methods to conditions here.

Lubin's Impressive Words.

As Mr. Lubin strikingly puts it—"For while the flag of a nation is a symbol of liberty in its ideal form, the dollar in the man's pocket is an evidence of liberty in its practical form."

If fifty years and more of experience in other countries have demonstrated the practicability and the success of co-operative endeavor in financial affairs as well as in the handling of the products of the farm, to the great advantage of the farmer and enhancement of the prosperity of those countries, it would seem a wise thing for us to look into and if possible adopt the system thus employed, or something of a similar nature, for the same ends in this country.

It is suggested that we have all the literature on the subject that could be collected or desired, and we might devote ourselves to preparing legislation as soon as we digest it—there are two answers, one is the written and printed data is very difficult to translate, interpret, and thoroughly understand; the other is, we can get a much clearer knowledge by observing and noting on the grounds the precise transactions and witnessing the application of the laws governing them, than we can by pamphlet and book.

When I commenced the first suit at law I had, I examined the statutes and the rules of practice, and found I had to "file a praecipe for summons and respondendum, returnable to the proper rule day." It struck me I had to prepare a very difficult, cumbersome, almost appalling document. When I came to do it I found it was a simple direction to the clerk to issue a writ called a summons to be served on the defendant.

Actually seeing the system work and observing the methods pursued, at first hand, directly on the scene, would be worth much more to us than a mere study of the laws and the theories involved.

To bring that about the assets of the farmer must be made more available as security, he must command financial strength on terms much more advantageous than he is now able to do.

Europe Can Teach Us.

It will not do to say Europe can teach us nothing regarding agriculture or suggest to us what would be greatly to the advantage of our farmers. We are fifty years behind Europe in agriculture and farm practice.

The European co-operative rural credit systems which we shall examine and endeavor to apply here are substantially in the hands of farmers, operated by farmers, for farmers.

Clearly and persistently this must be borne in mind. The research and study it is proposed to make and the data it is desired to collect and collate and utilize are intended primarily for the advantage and benefit of the American farmer.

Closely related to, if not actually identified with agricultural finance in the countries of Europe, is the practice of co-operative effort by those engaged in agricultural pursuits. We find that course pursued by the dairymen of Denmark in a way which has made that industry, under marked adverse conditions, one of greatest importance.

In Holland, Ireland, and to some extent in England, the co-operative societies have accomplished most satisfactory results.

In France such societies are strengthened by the government's aid. We have noted how co-operative endeavor has solved the problem of the German agriculturists.

To encourage production, to devise some plan or system whereby the producer may, without harm to any one else, better handle his affairs is something worth undertaking.

To adopt or evolve a system or plan whereby the producer can, without imposing any expense or additional burdens on any one, reach the market places with his products and there obtain remunerative prices, thus stimulating and broadening the fields of production, and likewise benefiting consumers, we may well concede is worthy our devoted attention.

Our national prosperity rests on our power to produce what we need. We shall be in a position of supreme power among the nations of the world, when they must come to us or go hungry and unclothed.

That nation which produces a surplus of prime necessities of life, which the other nations must have, is in position to dictate, without bullying, in times of peace or war, armed only with the weapon of trade, and will not likely need any other.

But the time for argument has passed; the time for doing things has arrived.

I trust every State will see to it that two among its most thoughtful and diligent and capable men will participate in this study, become a part of this great commission, and bring back to the State a report which will be explained to and discussed with the people, so their co-operation will be secured, and the matter be followed up until finally appropriate steps will be taken by legislation and organization which will give relief and accomplish beneficent results permanent in character.

RURAL CREDIT.

Continued from Page One.

important occupation in which our people are engaged, was not only injured, but its development seriously retarded. The farmer could not understand why an occupation which added annually to the national wealth over eight billion dollars, and in which many millions of our people were engaged, should be practically boycotted in the money markets of the country, and denied that credit so generously accorded to our manufacturers, merchants and other business men. They were deeply impressed with the conviction that a banking system which produced such results—which practically refused to accord those engaged in the most productive industry of the country access to reasonable banking facilities and credit—must be economically unsound and indefensible."

Governor O'Neal then very carefully elaborated the problem and the remedy and concluded as follows:

"The fundamental principle upon which the success of these systems of rural banks for the extension of personal credit to farmers and loans on mortgages, depends is that they must be conducted not for profit, not to earn dividends to shareholders, but solely in the interest of the borrower. The success of this movement absolutely demands that we heed the wise words of the President when he warns against "harmful exploitation for personal gain." As Ambassador Herrick has truly said in reference to organization for the loan of funds to land owners, "there should be no profit to promoters in the organization of such corporations, and their return to the stockholders must be kept within very reasonable limits; in other words, the borrowers and not the stockholders should be the chief beneficiaries of the success of the undertaking. The mortgage held by the company should be exempt from taxation. Special laws would be needed and provision made for thorough examination by State and national authorities or both. The success, therefore, of this movement for the extension of rural credit largely depends upon the action of the Governors."

Subsequent to the address of Gov. O'Neal, Ambassador Herrick detailed European methods and suggested their adaptability to the needs of America. On Saturday, the 7th, the Governors who had gathered in Virginia went to Washington and were the guests of the President at the White House. Rural credits and farmers' co-operative banks were again the subject for discussion.

THE NATIONAL PLATFORMS ON RURAL FINANCE.

Of equal importance with the question of currency reform is the question of rural credits or agricultural finance.

Therefore, we recommend that an investigation of agricultural credit societies in foreign countries be made, so that it may be ascertained whether a system of rural credits may be devised suitable to conditions in the United States. Democratic, Paragraph 40.

We pledge our party to foster the development of agricultural credit and co-operation, the teaching of agriculture in schools, agricultural college extension, the use of mechanical power on the farm, and to re-establish the country life commission, thus directly promoting the welfare of the farmers, and bringing the benefits of better farming, better business, and better living within their reach. Progressive, Paragraph 38.

It is of great importance to the social and economic welfare of this country that its farmers have facilities for borrowing easily and cheaply the money they need to increase the productivity of their land.

It is as important that financial machinery be provided to supply the demand of farmers for credit, as it is that the banking and currency systems be reformed in the interest of general business.

Therefore, we recommend and urge an authoritative investigation of agricultural credit societies and corporations in other countries.

And the passage of State and Federal laws for the establishment and capable supervision of organizations having for their purpose the loaning of funds to farmers. Republican, Paragraph 22.

Compiled by William George Jordan.

JOINT RESOLUTION PASSED IN THE SENATE OF THE UNITED STATES, AUGUST 14, 1912.

Whereas the Department of State of the United States detailed, upon the application of the Southern Commercial Congress, David Lubin, American delegate to the International Institute of Agriculture, Rome, Italy, to direct a conference on agricultural finance held under the auspices of the Southern Commercial Congress in Nashville, Tenn., April 1 to 6; and

Whereas 27 States were represented through delegates in the conference; and

Whereas resolutions were unanimously adopted providing for an American commission to go abroad for the investigation of rural credits in Europe; and

Whereas the Southern Commercial Congress will send the commission abroad, composed of delegates from all States of the United States, to report to the International Institute of Agriculture (which, under treaty, is supported by the government of the United States) at the time of the meeting of the general assembly of the International Institute of Agriculture, May, 1913: Therefore be it

Resolved, That the Congress of the United States, in recognition of the valuable service to be rendered the United States in the investigation of the European system of agricultural finance, hereby indorses the proposed American commission and invokes for it the diplomatic consideration of the countries to be included in the itinerary.

THE NATIONAL LAND CREDIT BANK.

Senator Borah introduced on December 3, Senate bill 7506, "To establish a complete financial and banking system for the United States of America. Part 2 of the bill dealing with methods of handling land assets is here condensed. Part 1 is condensed elsewhere, since it refers to ordinary banking.

(2) The bill establishes the National Land Credit Bank, with local land credit associations, and State land credit associations, the local associations to be composed of twenty-five to fifty individuals with paid-up capital stock of $25,000, no individual to own more than twenty-five shares, and each local association to be authorized to lend total of $500,000 upon improved productive agricultural lands at 50 per cent of fair appraised value.

No business is to be done until State associations and the National Bank have been organized as follows: When any State has twenty local associations, their members are to meet and elect a board of seven managers of the State association, to which each local association is to pay one-fourth of its capital. The State association is actually to make the loans if it approves recommendations of local associations, to collect interest, &c.; all loans are to be secured by conveyance to the State association, with provision for local association being trustee in certain events, &c.

No State association is to operate until there are at least twenty State associations and one thousand local associations, and the National Land Credit Bank has been established. To establish the bank, one representative of each local association is to attend a meeting, which is to choose the place at which the bank shall be situated, &c.; the bank is to receive from each association one-half of its capital. Thus, the local associations will in effect be share holders both in the State associations and in the National Land Credit Bank.

The bank may issue bonds, debentures, &c., and is to supervise loans made by State and local associations, fixing interest, &c. The bank and both classes of associations may invest only in land mortgages, obligations of the bank, and United States securities, and may accept deposits only for such investments.

The bill finally provides for apportionment of profits and losses, payment of dividends, accumulation of surplus, &c.; it appropriates $300,000 from the United States Treasury as a loan to the bank and empowers the Governor of each State to appoint an organizer of local associations, &c. (The Fowler bill; identical with H. R. 26454.)

Status: Introduced and referred to Senate Committee on Finance, December 3, 1912; **hearings begin January 6, 1913.**

STATISTICS OF THE RURAL BANKS.

The following statistics will show, better than it can otherwise be indicated, the great development in Germany of the rural banks.

Table 1.—Number of rural banks in Germany on June 1 in each year from 1890 to 1910.

	Number.		Number.
1890	1,729	1901	10,487
1891	2,134	1902	11,121
1892	2,647	1903	11,750
1893	3,040	1904	12,477
1894	3,850	1905	13,181
1895	4,872	1906	13,635
1896	6,391	1907	14,096
1897	7,612	1908	14,709
1898	8,595	1909	15,158
1899	9,208	1910	15,517
1900	9,793		

We now give some figures showing the business done by the 12,614 rural banks embraced in the National Federation in 1909. It should be noted that while the figures in the preceding table are derived from information which the societies are bound by law to publish, the following figures are privately collected by the federations (of which we shall give an account presently), and more particularly by the National Federation.

Table II.—Business done by the rural banks in 1909.

	Aggregate figures.	Average per bank.
Number of banks of which particulars are given	12,614	....
Membership	1,163,186	92
	Marks.	Marks.
Total business done (incomings and outgoings)	*4,456,161,532	353,271
Total liabilities	1,935,523,262	153,442
Paid-up share capital	22,358,433	1,773
Reserve funds	50,981,069	4,042
Deposits in hand at end of year	1,644,696,298	130,387
Loans outstanding at end of year	1,508,441,791	119,584
Loans granted during the year	†901,227,744	71,446

*$1,061,568,167, or £218,131,310. †$214,694,794, or £44,115,544.

President Taft Speaks on Rural Credit Ideas

Twenty-seven Governors Consider with Him the Needs of Co-operative Credit in America.

President Taft, in a speech to the twenty-six Governors gathered in the White House for conference on the subject of rural credits and farmer's co-operative banks, urged the adoption of a system of rural credits and low interest-bearing loans to farmers, on the principle of the systems in vogue in many European nations, adaptable to conditions in the United States. Indicating that some time would elapse before such a system could be put into practice, he suggested that agitation of the subject begin at once, so that the maximum of progress could be made toward accomplishment of the object.

No land mortgage system in vogue on the European continent, in the opinion of Myron T. Herrick, ambassador to France, another of the speakers, is applicable to conditions in the United States. He advised that in formulating a plan for agricultural credits in the United States the best principles be taken from the European systems and around them constructed a new machinery, suited to our national needs and business methods.

The President's Address.

President Taft, in the course of his remarks, said:

"We are not going to adopt a system over night. It is going to take a considerable time before the country shall receive the benefit of it, but the earlier we begin the agitation the earlier we shall achieve the purpose we have in bringing the matter to the attention of the public.

"There is no subject," continued the President, "of greater importance to the people of the United States than the improvement of the agricultural methods, the keeping them up to date in all agricultural communities, the securing of profits to the farmer, the attraction of the young men of the country to farming as a lucrative profession, and the lowering of the cost of producing agricultural products and the lowering of their prices to the consummer.

"We have great capital in this country and we have farming property that is producing farm products of immense value. It would seem clear that with these two elements it would be possible to introduce a third by which the farmers engaged in producing the crops should be able, in view of the value of what he produces, and the value of the land on which it is produced, obtain money on the faith of the land and the faith of the product which will enable him to expand his acreage and better his methods of cultivation and production. An easy exchange between capital and farmers with proper security has been established in European countries, where the rate of interest has been lowered so that the farmer is practically on the same basis of advantage in the borrowing of money as the business man. If this can be done abroad it can be done here, and if abroad we find that government institutions adapted to form the conduit pipe between capitalists and farmers are successfully operating, why should we not adopt them here?"

While conditions in this country and in Europe were somewhat different, the President said, by modification of the European plan the idea could find a proper place in the United States.

Conditions in Europe.

Discussing conditions in Europe, Ambassador Herick said:

"Agriculture requires two kinds of capital—one for the real estate and the other for operations. The first represents the buildings and permanent improvements along with the land. The second represents the livestock, implements, machinery, the seed, fertilizers and all that goes to make production. Each can support its own proper credit. But it is all important to carefully distinguish real estate credit from agricultural credit. The land must not be confused with agriculture itself.

"Now, in the United States the land mortgage business is not specialized except in the cities, and never has an effective attempt been made to adopt the principle of amortization, without which a land credit system remains an uncompleted and fragile scaffold, endangering the good name and the public welfare of any country trusting upon it.

"A farmer should never be compelled to pay back a loan in lump or faster than he can make its equivalent out of the land. But the sinking of capital indefinitely and receiving it back in driblets, as required by the amortization process, is a dangerous operation for commercial and industrial banks, and entirely out of the question for private money lenders.

Dominating Feature in Systems.

"Amortization, however, is the dominating feature of the land mortgage systems of all European nations. The average length of a loan there is about thirty years, and many run for seventy-five years. The annual sum paid by the borrower is composed of the interest rate, pro rata of the cost of business, and an installment on the capital, and is called an annuity. It remains level, with the same rate of interest, through the entire term of the loan, but each year the actual amount of interest decreases and the amortization items increase, so that by the end of the term the debt is completely wiped out.

"But none of the European institutions (with the exception of the German land banks properly so called), can be recommended as models in their entirety for the United States. I am speaking only of continental Europe. They all—or nearly all—have special privileges, with the right, among other things, of summary proceedings against debtors in default, which American farmers perhaps would not tolerate. Lenders also might not easily become accustomed to the form of debentures or mortgage bonds issued by these institutions, although in Europe they are the most popular investment of the savings of the poor.

"So there is no land mortgage system on the European continent which could be transplanted bodily into the United States."

Congress to Consider Plan.

A general credit system for the financing of farmers will be considered as a part of the general currency reform to be attempted by the subcommittee of the House Banking and Currency Committee. In another column appears an abstract of the proposed Senate method. It is not co-operative.

BANKING AND CURRENCY.

In Legislative Bulletin No. 2, published by the Chamber of Commerce of the United States for the use of its constituent members, appears the following admirable condensation of the bill introduced by Senator Borah:

S. 7506. Mr. Borah: To establish a complete financial and banking system for the United States of America:

(1) Provides for division of the country into between twenty-eight and forty-two commercial zones, each zone to have a Bankers' Council of fourteen unsalaried members elected by the national banks—seven bankers and seven business men; the president of the council is to be elected by the council, outside their own number. Each zone is also to have a salaried Board of Control, one member from each of seven districts, and its chairman to be the president of the Bankers' Council. Each zone is to elect a member of the Board of the American Reserve Bank, alternating a banker and a business man, salaried and to live in Washington, where the bank is to be situated. The Comptroller of the Currency and the Secretary of the Treasury are ex-officio members of the Board of Directors, and three members are to be designated by the President of the United States.

Each commercial zone is to be a body corporate, act as a bank for banks, and maintain a clearing house. The Board of Control is to supervise local banks, appointing bank examiners, &c., acting as receivers for failed banks, passing upon applications to organize national banks, &c. The Bankers' Council is advisory to the board; its judgment is final on appeal from an adverse ruling of the board upon applications to organized banks.

The American Reserve Bank, a body corporate, is to have power to buy and sell gold and government securities, act as fiscal agent for the United States, buy and sell commercial paper and exchange, act as fiscal agent for the commercial zones, act as a bank for banks, &c., the bank fixes the discount rate commercial zones will use in buying commercial paper from their local banks which wish to obtain money. The national banks, in turn, are authorized to accept from customers commercial paper which matures within four months, holding against it the same reserves as against deposits.

Provides for national bank notes to be issued by national banks without deposit of any security except gold or gold certificates with American Reserve Bank equal to 7 per cent of their deposits and 7 per cent of the amount of notes to be issued, these deposits to increase by 1 per cent yearly, until each reaches 10 per cent; this issue of notes may equal capital; with consent of Board of Control of zone the issue may at any time be increased by 100 per cent further. Issuing banks are to pay to the American Reserve Bank 1 per cent annually on outstanding notes, this income to be used to pay expenses, to pay 1 per cent on consols, to maintain redemption fund for notes, &c.

Every local bank is to carry a cash reserve of 6 per cent on individual deposits or 10 per cent if such deposits exceed $10,000,000, and 20 per cent on deposits of banks, with proviso that the reserve shall be elastic enough to permit its decrease at times by 75 per cent.

Allows certain national banks to establish foreign branches, act as guardian, executor, &c., to accept savings accounts, &c.

Part 2 of the bill deals with the establishment of a National Land Credit Bank and will be found on this page.

The whole bill was referred to the Senate Committee on Finance, December 3. Hearings will begin January 9, 1913.

The Southern Commercial Congress of Washington has for distribution a pamphlet written by David Lubin, entitled "The Way Out of the Rut." David Lubin is American Delegate at Rome of the International Institute of Agriculture. Address Clarence J. Owens, Managing Director, Southern Building.

A Banker's Viewpoint on Farm Loans Methods

An Article Reprinted from the National Banker Showing How Farmers with Money Are Themselves Investors.

A representative of this publication has obtained an interview with Ralph Van Vechten, vice president of the Continental and Commercial National Bank, of Chicago, regarding money values in America. It is not only his position as one of the active managers of a large banking concern that makes Mr. Van Vechten's views interesting and important. He is recognized as a gentleman of great practical knowledge whose career has been identified with Western development. On the subject of farm loans he said

"I am in full sympathy with the movements to give farmers the best possible financial facilities. If the mortgage bank plan advocated by President Taft or the organization of co-operative loan societies such as exist in many European farming districts would help the situation I should be glad to see either system put in force.

How Farmers Employ Capital.

"People who take up the subject impartially soon reach the conclusion that we cannot, for many years to come, place ourselves on the European basis. If the average farmer in our Western country has any surplus cash instead of putting it into a co-operative society where it will earn 3 1-2 or 4 per cent he is likely to use the money to increase the efficiency of his farm, or to buy more land. The thousands of small farmers in Europe who have a little idle money are not surrounded by the tempting opportunities for investment which American farmers see on all sides of them. Many of our farmers are able to increase their holdings at $10 to $30 an acre. They know that in the regular course of events their land will quadruple in value. The history of all the older States proves that they are right. I oppose the purchase of unproductive land by farmers, who ought to be employing their capital and energy on places of reasonable size to increase their productiveness. But what I wish to make clear is that when a farmer has his land equipped and developed and has some cash to spare he is more likely to invest his surplus in more real estate than in loan societies.

"In this matter of constant development and tempting opportunity we are on an entirely different plane from that of European farmers, and just so long as conditions remain as they are money will be worth more in American farming districts than in European. It will be worth more not merely because it is less plentiful, but because there is a greater employment for it. There is more to be done in all lines of development. If a farmer needs to add more land to his possessions, for his own use or in providing for his sons and daughters, and he can buy property at a price which he knows will double or quadruple in a few years, the capital which enables him to proceed is worth more than 4 per cent.

"When land is low money is high; as land advances in price money declines. Invariably capital commands comparatively high rates for development purposes. It cannot be otherwise in a new country. There can't be cheap money where it is scarce and is urgently needed to carry forward the activities of a community which is just starting and where much of the land is undeveloped.

Praise for Interior Bankers.

"In that connection I wish to make it clear that the bankers of the interior are entitled to the highest praise, rather than criticism. As a rule they are public-spirited men, who have the interests of the community at heart. Often they carry heavy burdens in order to help along the natural and proper development of their respective communities. With only moderate deposits and paying in many cases 4 per cent on them they cannot meet business and living expenses unless they receive from 6 to 8 per cent, whereas the bankers in large cities can afford to loan money at lower rates. The few failures among interior bankers would seem to me to be absolute proof that they are a high type of men, for they have the temptation to loan indiscriminately and to invest for speculative turns in land. The usefulness of those bankers in the development of the Western States is not fully appreciated by the public. The care with which they foster local undertakings and safeguard the interests of depositors entitles them to a great deal of gratitude.

"The idea that Western bankers ought to be able and willing to loan money to farmers at 4 per cent is entirely wrong, though I would not pretend to say that it is intentionally misleading. It is mischievous, however, for with thoughtless persons it puts bankers in a false light and to a considerable extent prevents the inflow of capital. Instead of helping land owners to get lower rates, that kind of a campaign merely builds up false hopes in the minds of the farmers, and it has been known to drive owners of capital to seek other fields of investments.

Convertibility a Necessary Feature.

"It is easy to understand why bankers cannot afford to make farm loans on as low a basis as commercial loans. When a loan is made on a narrow margin of profit it necessarily must be for a short time transaction, so that the banker can figure on a quick liquidation of the account, besides which business houses leave large balances from day to day, which are a factor in a bank's earning power. While the security a farmer gives may be unquestioned, the convertibility feature is lacking, except on short time loans in connection with crop movement. Convertibility is of the highest importance to bankers. Short time commercial paper and high-grade bonds, when properly bought, give to a bank a ready means of raising cash in a time of urgency, but a farm mortgage no matter how sound it may be intrinsically is not always convertible into cash. Anything that will impart to such securities the element of convertibility will meet the indorsement of financiers and all who have taken pains to study the subject in all its bearings. Mortgage loan societies organized for the specific purpose of supplying funds to farmers are the only agencies that will be likely for a long time to come to make loans at less than the rates prevalent the past year. I do not look to see such transactions at less than 5 per cent.

"I have pointed out that the Western farmers themselves are not likely to put money into co-operative societies until the country is further along in its work of development and they have reached an easier condition. I believe the time is at hand when farmers are about to make an important turn. They have come to realize the need of a higher efficiency. Those who are progressive are endeavoring to make their land perform a greater service than it has been doing. They are trying for larger results by better tillage and a more skillful handling of live stock. Many will need additional capital for the new order to do their own financing. Perhaps the majority will require help, and they will be fortunate indeed if they do not have to pay more than 5 per cent.

Large Returns on the Farms.

"The greater efficiency in farming which is demanded by present economic conditions contemplates better dairies as well as a general improvement in live stock and methods of cultivation. Farmers need to make their cows earn more. I would say that the increase might reasonably be fifty to one hundred per cent in the earning power of the average dairy. There are no financial figures in the proposition that cows should be returning $200 a year instead of $100 or less and that corn and wheat should be doubled in production without increasing the acreage. As there is a decided movement toward that end it is impossible for financial men to ignore the new order of farming, for it has a direct bearing on the cost of living in our cities as well as on national prosperity. City bankers will help along the movement in any way that is possible, and financial men everywhere will encourage it in place of speculation in unproductive lands, which a few years ago placed the whole Northwest in a serious condition.

"As to when our Western development will reach the European stage one man's opinion ought to be as good as another's. But when we see the waste land all around us and the need of a better system of farming we appreciate the fact that conditions here are nothing like those in Europe. In France and Germany the land is mostly worked by small farmers, some of them tenants. Intensive farming, such as we are aiming at here, has long prevailed in those countries, and the existing conditions are much the same as they were a hundred years ago. The majority of the small farmers are thrifty people who are possessed of some means. As they have no thought of making large investments they are free to place a proportion of their surplus in co-operative societies, where it is pretty sure to earn as much or more than in savings banks.

Problems Distinctively American.

"When our public land is gone and the trend of population is toward the country instead of the city we may look for new financial conditions, but for the time being the problems now before the public are distinctively American and will have to be worked out in our own way.

"A strong argument in favor of a new monetary system in this country is that a larger percentage of bank assets should be made easily convertible into cash, if necessary, and any such system should include the right of the smaller national banks to loan on real estate under proper restrictions and safeguards, limiting the amount of such investments to a certain percentage of a bank's capital and surplus or deposits. This would make farm land security acceptable among bankers. Under the present law national banks are prohibited from loaning money on real estate security, and that operates against farmers who need financial aid. Remove that barrier so far as small banks in rural communities are concerned and we have taken one step toward making it easier for the farmer to obtain money on terms more satisfactory to himself. Of course national banks in reserve cities should not be permitted to loan on real estate in any form and should be required, as at present, to keep their investments in liquid securities.

"The National Bank Act was passed at a time when the farm lands of the country did not possess the stability of values which pertain to-day, and when a mortgage was looked upon in many sections as being a dangerous form of investment. All of these conditions have changed for the better, and to-day there is a growing sentiment among investors of all classes in favor of such securities.

Use for Insurance Funds.

"It is a healthy sign of of the times in connection with the employment of capital for agricultural purposes that the great life insurance companies are extending their operations farther and farther West. That fact is significant as indicating faith in farm land securities on the part of the officers who hold those vast sums in trust. As a whole, therefore, the agitation of the subject of interest rates is doing good. Some of the larger insurance companies have been rather backward in loaning money on Western farms. Their change of heart is largely due to the growing prosperity of the West, which is making clear the fact that mortgages on improved farms are worth a hundred cents on the dollar and much more reliable than miscellaneous stocks.

"I favor legislation authorizing debenture companies to organize and operate under either State or national control, the same as other banking institutions. Such concerns are a great convenience and success in Canada, and would prove to be of vast usefulness here. It will be argued that there were several bad failures of these debenture concerns in 1893, but it must be remembered that these companies were under no restraint of law and that their investments were practically all in an undeveloped territory. Furthermore, their outstanding bonds were entirely out of proportion to their capital stock and surplus, so that they were not in a position to tide over two or three years of successive crop failures. To controvert this it is only necessary to point to the fact that there is in existence in Chicago to-day a large and successful farm mortgage debenture corporation which was doing a large business for many years before the failure of the companies referred to. It is unnecessary to say that this company is operated along proper and legitimate lines and that its outstanding obligations are kept in due proportion to its capital, surplus and reserve at all times. The requirements of the Canadian law in this respect are so sound that the old-line life insurance companies of Canada unhesitatingly buy these debentures in round amounts. Practically there is no provision in our laws for the formation or regulation of such companies. Well-considered legislation along proper lines at this time would tend to make money cheaper to the farmer by encouraging and safeguarding the investor, both large and small, so as to attract his funds into this channel.

"Couple with these organizations the authority on the part of the small national banks to take farm mortgages under proper restrictions, and you have accomplished two things: First, the farmer is benefitted by obtaining quicker service and a lower rate; second, the banker has acquired a liquid security which he can readily convert through these corporations, the organization of which would naturally follow legislative or congressional enactments favorable to that class of companies. Undoubtedly any broad plan for an improved banking system in this country will include recognition of these two important elements, namely, first, the quicker and better service to the farmer through the instrumentality of the smaller national banks, and second, a broadened market for farm mortgages, which will class them immediately as more liquid securities than ever before.

"In the Central States farm loans average about 6 per cent, but higher figures in new sections bring the average for twenty-five States up to 7.18 per cent. In Illinois and Ohio numerous loans are made at 5 per cent—perhaps a majority of them at not over 5 1-2—a fact proving that as a country advances in wealth interest rates come down.

"Conditions which naturally obtain in an old community can hardly be forced in a new locality, but I am confident tangible results beneficial to the farming class will come from the present agitation."

Rural Banking System for the State of Virginia

Charles Hall Davis of Petersburg Outlines a Method Applicable, with Variations, to Many States.

Charles Hall Davis, banker and lawyer, and at one time president of the Petersburg Chamber of Commerce and also former chairman of the executive committee of the Southern Commercial Congress, has worked out a plan of rural banking applicable to Virginia.

The scope of the plan and his foreword are here included to prompt further research by all thinkers who are convinced that a way to secure agricultural credit can be found.

A PLAN
FOR
THE ORGANIZATION AND
OPERATION
IN THE
STATE OF VIRGINIA,
(U. S. A.)
OF A
RURAL BANKING SYSTEM

Designed to foster the organization, in each rural neighborhood, by the local people, of local rural banks, which will serve to bring together the neighborhood funds, and make them available for the development and improvement of neighborhood farms, under the direction and control of residents of that neighborhood. Further designed to enable the neighborhood farmers to finance the co-operative purchase and distribution among themselves, and wholesale prices, of seed, fertilizer, farm implements and supplies; and to finance the harvesting, preservation, storage, and marketing to advantage, of the farm products of the community.

Embracing also a plan for the creation of long term first mortgage farm loans (not exceeding fifty years), based on an appraisement by the local rural bank, and limited to a certain proportion of the value at which the lands are assessed for State taxation; to be annually or periodically reduced or amortized by the repayment of small portions of the principal (out of the profits of the land). Such loans to bear a low rate of interest, to be guaranteed both as to principal and interest by the local rural bank, and by a large and powerful central rural bank, which shall market these loans, so secured and guaranteed, in the financial centers of the world, on the best terms possible. The proceeds of such long term real estate loans to be used in the permanent improvement of the property on which the loan is secured, or for the payment, by new settlers and new purchasers, of a portion of the purchase price of the land, which they propose to cultivate.

Outlining the plan of operation of both local rural banks and of the central rural bank, with details as to their management and control, and as to their supervision by a newly created State rural bank department; limiting the character of business to be done and the rates of interest to be paid on deposits; and requiring that the rates of interest charged on loans shall not exceed by more than a given rate, the interest paid on such deposits. Providing further for the creation of an ample surplus by each bank; for the payment of a fair dividend (limited to a maximum amount) to the stockholders; for the gradual reduction of the interest rate on loans, as the surplus earnings increase; and for the ultimate buying in by the local rural bank, with a part of its earned surplus of its own stock at par; and the delivery of such stock, with the consequent ownership of the entire rural banking system, to the State of Virginia, as a part of its general educational fund. The State thereafter to continue such banks in operation, to receive a fixed dividend on the par value of the stock held by it, and to devote the surplus earnings over and above such annual dividend to a further reduction of the interest charge to borrowers, thereby reducing more and more the rate of interest on farm loans in Virginia.

FOREWORD.

The greatest asset of the State of Virginia (and probably of other States, embracing more than 75 per cent of the area of Continental United States) is the agricultural possibilities of its farm lands. And the greatest need of Virginia is probably the establishment of some banking or financial plan designed primarily to aid its farmers in the cultivation and improvement of their farms, and in the harvesting, handling and marketing of their crops.

The United States of America, whose greatest asset is, and has always been, the products of agriculture, and the annual return from its farms, has, in the past, not only failed to aid the farming community in the settlement of its annually recurring financial problems, but has positively injured and handicapped them in their own efforts to solve this problem, by prohibiting the lending of any money on the security of real estate, by any of the national banks, created and operating under its supervision and control. Such an inhibition, put forth and enforced as regards the great and powerful system of national banks, has not only practically deprived the farmer of access to, and assistance from, the enormous aggregations of capital and savings, controlled by the national banking system, but has had a strongly persuasive and almost compelling effect on the attitude and action of State banks and other financial institutions, to the detriment of the farming community. If the national banks were prohibited by law from lending money on the faith of real estate security, because such loans were not sufficiently "liquid," and were not to be readily realized upon, how much more was it necessary for the weaker State banks and other financial institutions to observe the same requirement, and to refuse to lend on real estate, thereby placing themselves in a position to compete for business with the national banks!

Without in any way attempting to either attack or defend the wisdom, from a banking standpoint, of this provision in the national banking law, it must be conceded that in a country whost chief asset consists of real estate and of real estate possibilities, the harmful effect of such a provision, in retarding the development of that asset, has been incalculable.

National Bank Activities.

To-day the business of the national banks has become limited almost entirely to what might be termed commercial banking, and the great volume of their resources are loaned out for short periods of time (usually not exceeding four months) on commercial paper, on indorsed notes, or on demand or short-term notes, secured by stocks or bonds of public service or large private corporations, having a wide market, and being readily salable. Loans on farm lands are not taken by national banks; and loans on the security of farm products, while readily made to large elevator companies, and to the great trusts, who control the meat and other markets, or to members of the great Cotton, Wheat, Corn, or Produce Exchanges, or to commission houses on bills of lading, are rarely made by the banks to the real producer, the small farmer, so as to enable him to improve his farm, to produce more per acre, to raise a better grade of farm products, or to equip himself with better machinery, with more fertilizer, with better farm animals, or with a better and more remunerative breed of cattle, hogs, sheep, or chickens, so as to enable him to derive the benefit of a more economical and more profitable operation of his business.

The small farmer, cultivating from forty to a few hundred acres of land, has, under our existing system, received practically no aid from the banks, and this, in spite of the fact that he is the real producer of the great annual crops, which constitute the chief source of wealth of the United States, and the sale abroad of a small portion of which, principally serves to create an annual international trade balance in our favor. So evident has this injustice become, and so insistent has become the demand that the national banks shall cease to discriminate against real estate, that the currency commission, appointed to formulate a plan for the revision of the currency laws of the United States, has recommended, in the plan reported by its chairman, Senator Nelson W. Aldrich, that national banks be allowed to lend a limited portion of their resources on the security of real estate, and that the establishment of national trust companies be authorized.

In the face of these conditions, how has the farmer managed in the past to finance his capital needs and his annually recurring difficulties?

The Borrowing System.

In Virginia, and in many sections of the South, he has been largely dependent for long-term loans, or capital needs, on his ability to find some individual, or some lawyer, with wealthy clients, who were willing to tie their money up for a period of from one to five years, in consideration of a large interest note, varying from 8 per cent per annum up. After paying the cost of the examination of title, of drawing and recording the mortgage, and of commissions for negotiating the loan, he was annually confronted with an interest charge, almost impossible of payment from the proceeds of the farm; and in a short time (and always long before the profits from his operations would enable him to meet the principal) the whole principal amount would fall due; with the necessary result of a foreclosure, or else of a renewal of the loan, probably at a higher interest rate, with the attendant costs of a new examination of title, new fees for preparing and recording the mortgage, probably new commissions for getting the loan renewed, and other incidental charges, accompanied by consequent worry and loss of time. And each recurring failure to meet the impossible interest charge, or to pay off the principal when due, increased the costs and charges for a renewal of the loan, and the difficulty of negotiating the same. In the majority of cases, it is believed that the ultimate result of such loans was the foreclosure of the mortgage and the loss of even all equity in the property by the borrower.

And for his annual requirements, he has been dependent on a middleman known as a "commission merchant." These commission merchants would first insure themselves against loss for advance with a recorded "crop lien" at the cost of the borrower, and with agreements to the effect that anything bought by the borrower during the year, from a pound of seed or a box of pills, to a suit of clothes or a portable engine, should be bought through them; and that everything sold by the borrower, from a load of watermelons or a crate of eggs, to a bale of cotton or a herd of cattle, should be sold through them. Commissions were charged on all sales and profits usually made on purchases. Purchases during the year of all necessities and luxuries were made by orders on the commission merchant; these orders were filled by the merchant, and charged against the borrower as of that date. The rate of interest on such advances was frequently limited only by the conscience or lack of conscience on the part of the commission merchant. This was the course followed in the purchase of seed, fertilizer, machinery, and all supplies. The commission merchant was generally a dealer in all these things, and in filling an order from the farmer would fill it from his own stock, after first adding to the actual cost of the article as large a percentage of profit as he thought "the traffic would bear."

The Burden of Consignment.

By the time the crops were harvested the farmer was hopelessly in debt to the commission merchant. All of these crops must then be forwarded or "consigned" to the commission merchant, who, upon receiving the same, would sell or dispose of it (frequently to himself, if the market was low). Thereupon would come a settlement with the farmer, who, in addition to an outrageous interest on all advances, would be charged with "freight," "drayage," "storage," "warehouse charges," "insurance charges," and "commissions" (and heaven alone knows what other charges) on everything "consigned" to his "commission merchant." If the farmer was out of debt to the commission merchant at the end of a crop year, he was fortunate; for them at least he could exercise his independence to the extent of dealing with a new commission merchant; but only too frequently he never got out of debt, and was tied to the same old system year after year, with all its resultant disadvantages and its intolerable burdens.

The abuses of the system probably have been the cause for the gradual disappearance of the commission merchant; and moreover the concentration of industrial enterprise in the hands of the large trusts, such as the Tobacco Trust, has resulted in many instances in the custom of sending buyers to the small localities and even to the individual farm to buy the farm products for cash. This custom, with the extension of the rural telephone service, the rural mail delivery, good roads, and other facilities to the farmer, which enables him to keep advised of the conditions of the markets, have largely done away with "consignments" (in their former sense) to "commission merchants," and have enabled him to get better prices and cash payments for his crops. But the providing of loans for permanent improvements, and the financing of his needs, while the crop is being made, are still unsolved problems, and require attention and reform.

In European countries these problems have been met by the great co-operative credit and land societies, such as the German Landschaften, the Raiffeisen, and the Schultse-Delitzsch banks; and it would seem the part of wisdom to profit from their experience, and attempt to work out a plan suitable to our conditions and modified to our surroundings, but based on the same fundamental principles that have successfully operated abroad, and that have enabled the European farmer to successfully cope with the most exacting competitive conditions.

The plan of the German Landschaften is obviously impractical in this country. Under this plan, money is obtained from the financial centers, at low rates of interest, for long terms, by means of a collective mortgage on the lands of a community. This money is then loaned out by the association to its individual members, as their needs arise; or is used for the joint benefit of the members of the association by the purchase of supplies, &c., to be distributed among them as needed, at practically cost; or is used in handling, harvesting, and marketing their crops for the proportionate benefit of all.

Likewise the plan of obtaining funds on the collective direct personal liability of the neighborhood people, either limited or unlimited in amount, as is done under some of the other European systems, would seem to be impracticable in America.

Foreign Co-operation Simple.

In the older countries, which have been settled and cultivated for hundreds of years; where the people are homogeneous; where every family has been known to every other family for generations; where the population is large, and the demand for land exceeds the supply, thereby creating and maintaining a practically fixed and easily ascertaining value; where titles are settled and known beyond doubt; and where custom has fixed and established the relations between people and their mutual obligations, until such customs have almost the force of law, such a plan is practical and operates smoothly.

But in the United States the conditions are different. Here we have a practically unlimited amount of cultivable land, and a limited demand for the same. The population in many sections is too small to properly cultivate the idle acres and immigration must be depended on. Of necessity, this immigration means a heterogeneous population, who will not amalgamate sufficiently to entertain the idea of joint liability for a generation or more. In the eastern part of my own State (Virginia), where I reside, and where the population is probably as homogeneous as anywhere in the United States, the breaking up of the great landed estates, remaining or reminder of slavery days and of a former industrial condition, and their subdivision into small farms, is only accomplished as immigrants come in; and it is unthinkable that any successful plan can be evolved for a collective mortgage or for joint and unlimited personal liability between the old inhabitants and the new and unknown immigrant; or even between the immigrants themselves, coming as they do, from widely separated parts of the world, and having different ideals and different customs. The English gentleman who has bought himself an estate in Virginia; the Italian fruit seller whose profits from peddling fruit are invested in a farm; the Irish liquor dealer, who buys and operates a farm as an outside investment; the Bohemian farmer, whose wife and children help him in the manual labor; the negro, with his forty acres and a mule; and the native Virginian, with all his lovable prejudices, are not going to form a joint liability association or execute a collective mortgage.

Conditions Very Variable.

Moreover, in the United States, with its enormous territory, the conditions are so variable as to make almost impossible of application any general plan. The millions of acres of arid land in the West, valueless until irrigated; the millions of acres of swamp land in the South, equally valueless for agriculture until drained; the highly cultivated alluvial lands of the Middle West, commanding excellent prices; the rocky and mountainous lands of some sections of the Northeast; the worn-out lands of some sections of the South, where the same crop has been annually raised for 100 years, and where rotation and liberal fertilization are necessary to their continued use—each of these presents a separate and a different problem. And in many cases the value of these lands is so largely dependent upon transportation facilities and freight rates as to form a perfect Chinese puzzle to the outsider.

Moreover, our dual system of government, with the State supreme in local matters, and the national government furnishing our only point of contact with foreign people, tends still further to confuse. When it is appreciated that each State of the Union assesses for taxation and levies taxes on the real estate within its borders, without reference to the national government or to any other State, and that each county or municipality, on the basis of the State assessment, levies its own taxes, it will be seen that the problem is involved.

But at least one thing is evident from all of these varying conditions, and from the successful experience of our European friends. The farmer, to be helped, must help himself. The problem to be met, must be met from the standpoint of each neighborhood, where conditions are familiar to all, handling and solving its own problems. The small farmer has small needs. But because small, they are no less insistent. The big city bankers cannot afford to cater to these small needs; to lend him $50, with which to buy seed, or to watch and see that he plants and cultivates these seed so as to get a return, and be enabled to repay the loan. But the other small farmers in his neighborhood, familiar with his needs, knowing what can fairly be expected of him, and taking a neighborly interest in his affairs, can and will take the time and trouble to make the loan, to see that the money is properly used, and promptly returned when the crop is sold. The problem is a neighborhood problem, and is to be met by neighborhood action. Conversely the neighborhood activities, brought into action for this purpose, should be confined to neighborhood property.

Neighborhood Activities.

Through what medium then should these neighborhood activities be set in motion? Evidently not through the execution of a joint mortgage, or a joint guarantee with unlimited personal liability. This being admitted, we come down to the use of some corporate entity, so as to get the simplest and easiest method of limiting the personal liability of the individual members of the association.

And as the first aid to the farmer is to come from the farmer himself; as the first money invested in improving and bettering the neighborhood conditions is to be the neighborhood money; we must, of necessity, use some form of corporation, one of whose functions is to gather together and make available the neighborhood funds.

And so we come to the local rural bank. But while the local rural bank can thus familiarize itself with the local needs; can gather together the local money and use it for local requirements, and can put every safeguard around local loans, it is obvious that the needs of the agricultural communities for capital cannot be fully met for securing aid from the great financial reserves of the world, and for inducing the investment of the enormous sums available at the world's financial centers, in farm land securities for long terms, at low rates of interest.

The local rural bank unquestionably can throw every safeguard around real estate loans in its community. It unquestionably will do so, if it guarantees the payment of such loan as to both principal and interest, so as to save itself from loss; and by making such a guarantee of these loans, it puts them in such shape that the local investor will be willing to take them at a lower rate of interest; for they are not only secured by a first mortgage on real estate at a reasonable percentage of the value at which it is assessed for taxation, but are guaranteed by a local bank, which examined and appraised the property before the loan was made, which has a surplus (under the plan proposed) at least one and one-half times as great as its capital, and which has, in addition, a stockholder's liability equal to its combined capital and surplus.

Thus the requirements of the local investor are met; and the farmers will get some of the benefits of the investment of local funds. But even these are not sufficient for the requirements of the agricultural community. These farm loans must be made acceptable to and must be marketed in the large financial centers of the world.

The Central Bank.

And how can this be done? Obviously through the aid of some powerful central bank, with such large resources and handled in such a way that its guarantee of such loans will insure the easy sale of the same at advantageous prices. The central rural bank becomes a necessary part of the plan, as the clearing house of the local rural banks, as the depository of their surplus funds, as the means of offering and selling the real estate loans guaranteed by the local rural banks, which the central rural bank can then guarantee without risk to itself; and can offer in a larger market, where its guarantee will satisfy investors and insure a sale.

Thus is evolved a plan, involving the use of familiar corporate methods, with a limited liability on the part of stockholders, to make local funds available for local farming needs; to secure the investment by local capitalists of some of their surplus resources in farm loans; and to create a new class of securities, based on farm values, but so secured and so guaranteed, that they will become readily salable in the money markets of the world. And finally, should such banks be operated under State or under national control?

If it be true that the relief of the farmer is to be found in neighborhood action, then it would seem that State control is wisest.

The varied conditions and interests throughout the United States, the different needs of different communities, the fact that the State, and not the national government, has the power of direct assessment and taxation of real estate, all seem to confirm this idea. And added to this is the fact that the hope of relief from the national government must be remote, when the whole national banking system has been built up on the idea that no loans should be made on the security of real estate. Ultimately, perhaps, the national government may act. But in the meantime, it would seem that, under the plan suggested below prompt and ready relief could be obtained by the farming communities, through State action, from the intolerable conditions, under which they have labored.

A Plan
For the Organization of
Rural Banks
in the
State of Virginia.

(Virginia is subdivided into 100 counties. Each of these is again subdivided into magisterial districts, averaging about four magisterial districts to each county, making approximately 400 magisterial districts in all. The banking department of the State of Virginia is a branch or bureau of the State corporation commission. Having regard to these facts, the following plan may be easily modified and changed so as to apply to conditions in any State in the Union.)

The plan under consideration contemplates:

(1) The establishment of local rural banks by the people of any locality, whose investments and loans shall be confined to the magisterial dintrict where it is located, without any limitation on the number of such banks that may be established in a given magisterial district; and

(2) The establishment of a general rural bank at Richmond, the capital, and the largest business city in the State, the capital stock of which central rural bank is to be owned by the local rural banks.

(Then follows a complete elaboration of details of organization. Mr. Davis concludes as follows:)

It is respectfully submitted that the foregoing plan offers an easy and practical method for financing and building up our farm lands, and for handling and marketing our farm products. That such a system must be further extended to meet the real estate and other requirements of our urban population is admitted. That it must, in certain portions of the State, be varied so as to meet the requirements of a mining and manufacturing community is also self-evident. But it is true that the chief industry in Virginia is agriculture; and that the greatest banking need of the State is a system of banking to finance our farms and farm products. The pressing banking needs of our cities and of our manufactures and mines, have been largely met by existing banking institutions. The financing of the agriculturist is our greatest and most pressing requirement. With this accomplished, the rest can be easily provided. For, with her farmers prosperous, Virginia can readily finance with her own money, and without outside assistance, her every other industry.

The foregoing plan, by the creation of small and locally owned banks for a certain purpose, and by the creation of a powerful central financial institution, and by the use of the credit of these institutions as a means of selling real estate loans to the outside world, not only makes our local money available for the improvement and upbuilding of agriculture in this State; but practically insures the investment of enormous sums of outside money, for long terms, at low rates of interest, in the improvement of our farm lands, with all the resultant benefit.

State Income Taxation as Applied in Wisconsin

Continued from Page Two.

ernment in Wisconsin will be supported by taxes levied only upon land and incomes. Then real estate may be assessed only once in four years instead of annually as at present; and as a result the work of tax administration will be wonderfully simplified and the expense greatly reduced. This is what every civilized nation in the world has already come to, except France and the United States.

The basis of this new tax is net income. This is obtained by subtracting from the gross or total revenue of an individual or corporation the deductions allowed by law, which include the ordinary and necessary expenses paid in carrying on the business from which the income is derived, such as salaries, interest, insurance, repairs, taxes, and all depreciation losses not covered by insurance, and the exemptions to which I shall refer. An enterprise is thus enabled to get a start before the tax begins to operate; and when levied it varies with the amount of net income received. Unlike the personal property tax with its annual burden, whether the business has prospered or not, and under which the only hope of relief comes from suppression of facts or violation of law, this system imposes a reasonable and moderate tax when the citizen is able to bear it, and no tax at all in unprofitable years.

The exemptions are so liberal as entirely to relieve the poor from the operations of the law. The idea was to exclude entirely the cost of subsistence; for there can be no wisdom or practical utility in taking from a man by the hand of the tax gatherer what must be returned to him at the hand of private charity or through poorhouse relief. The exemption of a single individual is $800; of man and wife, $1,200; and $200 additional for each child under eighteen years of age, actually dependent upon the parents for support. Thus the ordinary family of five has an exemption of $1,800. No tax whatever can be imposed until the family income exceeds this amount. Thus, all poor people, and all persons in merely moderate circumstances entirely escape taxation under this law. The poor man will not be affected because he has no taxable income. If he had he would not be poor. The burden will fall instead upon the comparatively well-to-do and the wealthy. Our first year's experience under this law shows that about two persons in every one hundred are affected by it. In other words, one family in ten will be called upon to respond.

Wholly Exempt the Poor.

Is there any other method of raising public revenues of which it can truthfully be said that it wholly exexempts the poor? It is well known that indirect taxation, such as impost and excise duties, by means of which the national government is supported, falls most heavily upon the needy and unfortunate. The poor also and the moderately well-to-do pay the great bulk of real estate taxes; for three-fourths of all the land is owned by farmers and a large part of the remainder by home owners in the cities who are not wealthy. Should there not be some compensation? If the day laborer, the farmer, and the small merchant in large measure support the national government, as they now do in the increased prices they pay for the things they eat and wear, and contribute through a land tax the greater portion of the revenues necessary for the support of State and local government, why should not men of wealth also do their share or something approximating their share, by means of an income tax? It seems to me the strongest argument in favor of this fiscal policy is that it provides compensation for well-known existing inequaleties in other systems of taxation, and in respect of local government it tends to place the burden of maintenance upon the shoulders of those best able to bear it.

Under the Wisconsin law, moreover, the rate of taxation is graduated. Those who have small taxable incomes are assessed at a low rate; those with larger incomes are assessed at a higher rate. For the first $1,000 of taxable income the rate is 1 per cent; for the second $1,000 it is 1 1-4 per cent; for the third, 1 1-2 per cent; for the fourth, 1 3-4 per cent; for the fifth, 2 per cent; for the sixth, 2 1-2 per cent, and so on to 3, 3 1-2, 4, 4 1-2, 5, 5 1-2, and 6 per cent, which is the maximum rate no matter how large the income. Thus the man of moderate means with a taxable income of $1,000—and by taxable income is meant the income in excess of his exemptions and all deductions—will pay $10 in taxes, while his richer neighbor with a taxable income of $5,000 will pay not five times as much, or $50, but 7 1-2 times as much, or $75, and his still more prosperous acquaintance across the street with a taxable income of $10,000 will pay not ten times as much, or $100, but twenty-five times as much, or $250. In like manner a man with a taxable income of $13,000, the last $1,000 of which is subject to the highest rate under this law, will pay not merely thirteen times as much as the man with the taxable income of $1,000, but forty-one and a half times as much, or $415. Is it not clear that this is much fairer than the customary rule of general property taxation? It adjusts the burden according to ability to pay, and satisfies the test of equality, of sacrifice, recognized as fundamental by all economists; for a levy of $415 upon a man of wealth will be felt less by him than $10 taken for public purposes from the scanty savings of the comparatively poor

Essentially a Local Tax.

How, now, are the proceeds of this tax to be distributed? It is essentially a local tax. Seventy per cent of the proceeds go to the treasury of the city, village, or town as the case may be; 20 per cent to the county, and but 10 per cent to the State, while the State bears all the expense of administration. Thus to the extent that revenue is produced in this way general property taxes will be correspondingly reduced. It is therefore not an additional burden, buth a relief to those who now feel most heavily the effects of the general property tax.

The speaker then described the administrative features of the law and the duties of the State tax commission. He then showed the results in Wisconsin as follows:

So much for the main provisions of the law. How has it worked? This, of course, is the vital point. The conventional thing to say about income taxation is that it is admirable in theory, but that it has utterly failed in practice. By failure is meant that income taxation has not proved a success as a revenue producer; and so interpreted the criticism was sound so far as American experience went. Fortunately it is so no longer. Income taxation in Wisconsin is an unqualified success. It produces abundant revenues.

At one time or another twenty American States have tried income taxation and all have failed. The new law recently passed in Oklahoma produced less than $2,500. Some States raised from $7,000 to $15,000 a year from this source. Others raised a trifle more and some much less. In 1899 Louisiana raised only $104 by income taxation out of a total State tax of over $2,000,000. The nearest approach to success has been made here in Virginia where as high as $129,000 was recently raised in a single year, the largest sum heretofore produced in this way in any State in America in time of peace. The average yield from income taxation in the Old Dominion is, I believe, about $100,000 per year.

Great Sums Produced.

What now is the fact in Wisconsin? In the face of bitter opposition and a multitude of difficulties incident to the administration of a new tax law we have raised the first year over $3,550,000. Of this amount individuals paid $1,157,208.29, and corporations, $2,394,025.51. In the county of Dane, where the capital of Wisconsin is located, the proceeds of income taxation amounts to over $112,000, and equaled approximately the returns from the entire State of Virginia. In Racine County, the yield was over $164,000; in Douglas County, almost $178,000; and in Milwaukee County it was over $1,482,000. In the city of Milwaukee alone the income tax this year will amount to more than the entire proceeds of income taxation in any former year in all the States of America put together. Thus as a revenue producer the Wisconsin experiments has been a splendid success. When the bill was framed it was not anticipated that more than $1,500,000 would be raised. Economists everywhere declared that if we should succeed in raising more than $1,000,000 in this way we would have demonstrated that income taxation is feasible in America. We have raised almost four times this amount.

The speaker then analyzed the burdens borne by various groups in Wisconsin. He concluded by quoting from President Harrison.

Whether we see fit to favor it or not, a closer approximation to justice in the matter of State and local taxation is sure to be attained. So far as a State income tax may contribute to such result it is bound to come. As ex-President Harrison said in his address, "The Obligations of Wealth," delivered before the Union League Club at Chicago in 1898, on the anniversary of Washington's birthday:

"The great bulk of our people are lovers of justice. They do not believe that poverty is a virtue or property a crime. They believe in an equality of opportunity and not of dollars. But there must be no handicapping of the dull brother and no chicanery or fraud or shirking. The plea of business privacy has been driven too hard. If for more statistical purposes we may ask the head of the family whether there are any idiots in his household and enforce an answer by court process, we may, surely, for revenue purposes, require a detailed list of his securities. The men who have wealth hide it from the tax gatherer and flaunt it on the street. Such things breed a great discontent. All other men are hurt. They bear a disproportionate burden. A strong soldier will carry the knapsack of a crippled comrade, but he will not permit a robust shirk to add so much as his tin cup to the burden."

Social Economy at the Panama-Pacific Exposition

Authorities Plan Exhibit that Will Show Progress of the World—Benefits of Co-operation Shown.

Dr. Frank A. Wolff, of the Bureau of Standards of the Department of Commerce and Labor, has presented to the Panama-Pacific International Exposition authorities plans, which have been recently adopted, for an exhibit illustrating the world's progress in the entire field of social endeavor.

The plans have the special merit of furnishing a broad basis for the development of a nation-wide movement for a better city, a better State, a better country, and a better race.

Briefly stated, the endeavor will be made to show man in all his social relations and activities, particularly from the aspect of co-operative association. This would include the consideration of all the manifold forms of public and social control, mutual association for the betterment of living conditions and in general all movements for the development of a fuller social life.

It will therefore be impossible in the space available to more than briefly outline below the scope by indicating the group headings and a few suggestive features. (Education, public works and other branches omitted will be dealt with in other exhibit departments.) Even this bare outline should leave no doubt as to the enormous benefits derivable from an exhibit touching on the most vital problems of our existence.

In order to make it possible to present each subject in the most logical and intelligible manner and to facilitate comparison of different methods of attaining the same result, the exhibit material must be specially selected on the basis of unusual merit and be arranged, as far as practicable, so as to bring together all which bears on the same topic, and not as heretofore to consider the material of a given exhibitor as a collective unit. The otherwise endless and wearisome duplication would thereby be reduced to a minimum, and in addition it would call for the development of the full co-operation of the various interests concerned, which it is so desirable to bring about.

Agencies for the Study and Investigation of Social and Economic Conditions.

Exhibits of Federal, State, and private bureaus and economic and sociological organizations, instruction in social economy, philanthropy, &c.

Movement, Composition and Characteristics of the Population.

Population analysis with respect to race, nativty, sex, age, marital condition, &c., application of results. Methods, machines and appliances employed in census work.

Economic Resources and Organization.

Physical resources and characteristics, development of transportation, statistics of agriculture, commerce, mines, manufactures, forestry, and fisheries, governmental promotion of industry.

Eugenics.

The inheritance of human traits, the selection of mates and its consequences. Means for reducing the supply of defectives and improving the human stock, sex distribution as determined by inequalities in births, deaths, and migration.

Hygiene.

Vital statistics, infant mortality, growth and nutrition, public health work, health laboratories, communicable diseases, care of the sick, mental, dental, and sex hygiene, general education in health matters.

Labor.

Regulation and inspection of factories, &c., woman and child labor, industrial disputes and their settlement, methods of remuneration, workmen's compensation, prevention of accidents, general welfare work.

Housing.

The erection of improved dwellings for wage-earners by employers, public and private efforts, and as philanthropic business undertakings. Building regulations with special reference to habitations of wage-earners.

Immigration and Naturalization.

Statistics, Federal restrictions regarding admission of immigrants, immigrant stations, inspection, distribution and employment of immigrants, naturalization and assimilation.

Banking and Insurance.

Banks, national, State, private, and savings. Loan and trust companies, postal savings banks, insurance, life, accident, miscellaneous. Social or State Insurance in all its phases.

Co-operative Institutions.

Co-operative societies for production and distribution, co-operative credit and banking institutions, including rural credit systems, building societies, co-operative agricultural societies, consumers' leagues.

Liquor, Drug, and Tobacco Habits.

Statistics of consumption and economic cost, physiological and other effects, legal regulation of trade in liquor, drugs, and tobacco, private and public management of liquor trade.

Charities.

Care of dependent and neglected children and destitute adults, care and relief of needy families in their homes, friendly visiting, care and defectives, the charity organization movement and its significance.

Criminology and Penology.

Statistics of crime, identification of criminals, penal institutions, reformatories, indeterminate sentence, probation and parole, prison labor and education, defective delinquents, juvenile offenders.

Nomination and Election Systems.

Qualifications of voters, woman's suffrage, caucuses, conventions, direct primaries, Australian ballot, voting machines, restriction and publicity of election expenditures.

Preparation and Enactment of Legislation.

Significance of movement for uniformity of State laws, results obtained, legislative commissions and legislative reference bureaus, operation of the initiative, referendum and recall.

Public Utilities and Their Regulation.

Public service corporations and commissions, municipality owned utilities and their operation. State and municipal testing laboratories for gas, electricity, weights and measures, materials, &c.

Municipal Statistics and Municipal Organization.

Local government and the State, general statistics, forms of government, budget, civil service, agencies for economy and efficiency, e. g., municipal research bureaus, reference libraries.

City Planning and City Beautification.

Frame work, building zones, civic centers, garden cities, park systems, trees and parking, rapid transit facilities, union station, outdoor sculpture, memorials, municipal architecture.

Recreation.

Parks, playgrounds and recreation centers, including recreation piers and roof gardens. Baths, swimming pools, and bathing beaches. Public entertainments, utilization of school house as social center.

Public Safety.

Police protection, fire protection, reduction of fire dangers and fire losses, miscellaneous provisions for public safety such as safety appliances on elevators, street cars, &c. regulation of vehicle traffic.

Standardization Needed.

Social problems are generally speaking of nation-wide, or even world-wide significance. Differencies arising from peculiar national, regional or local aspects applyng in most cases only to minor details. The importance of bringing about a greater uniformity in their treatment, which may be described as standardization, so successfully applied in manufacturing and business undertakings, is now generally recognized, but this can only be effectively accomplished through the broad, full knowledge of things attempted and done. This is a underlying purpose of the exhibit.

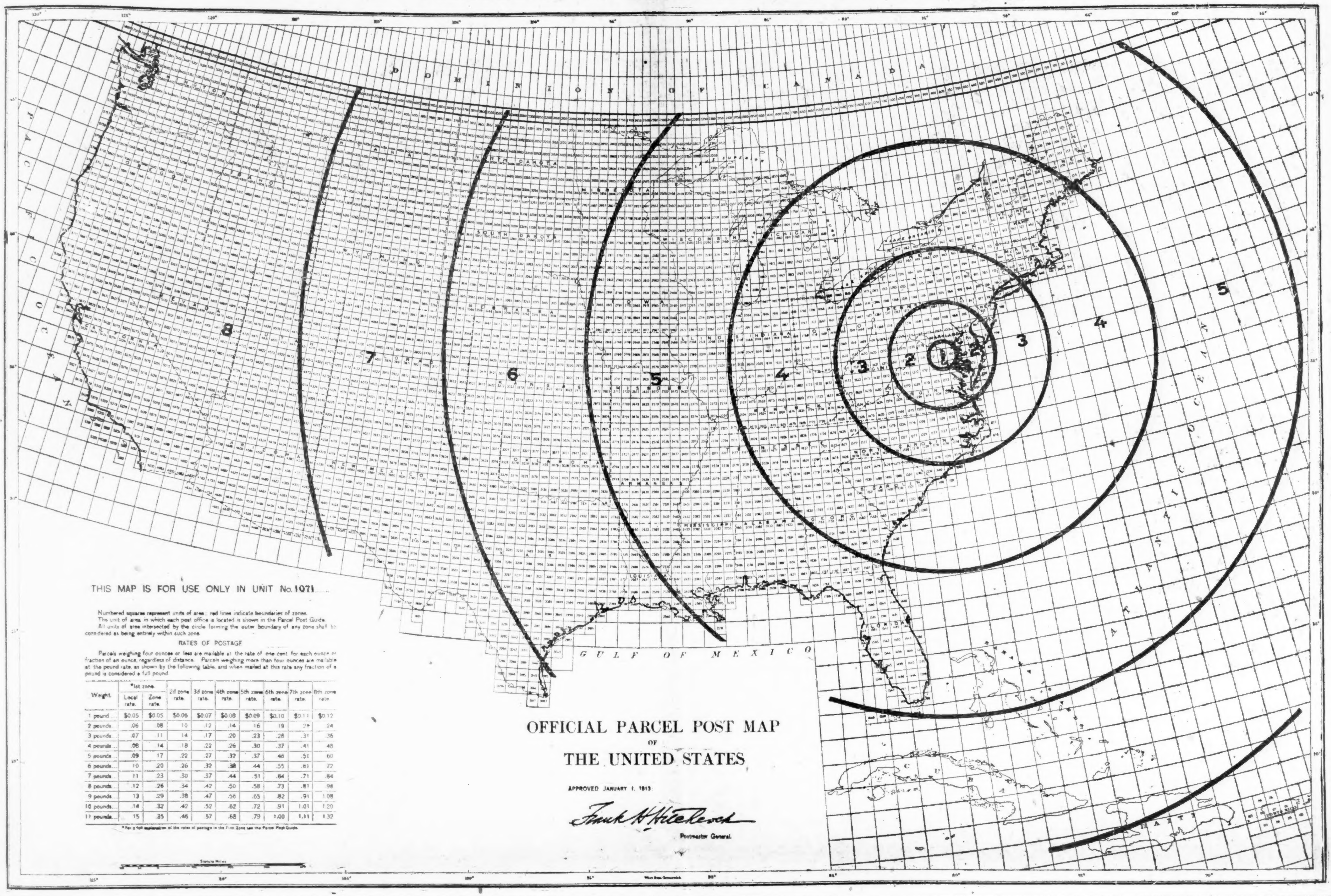
Results From Co-operation.

Every city has much to learn from the mistakes of others and particularly from a study of the methods successfully applied abroad. The combined experience of all, if made available in this exhibit would obviously be a better guide than the personal preference of an individual temporarily occupying an official position. This need is now expressed by the activities of our national civic and sociological organizations, which number among their membership many public officials seeking mutual assistance in their work. Since one of the prime requisites of the exhibit project is the collection of information from every available source on the subjects treated and the graphic presentation of the results obtained and the conclusion deduced, it is readily seen that the possibilities contained in the proposal are important to all who work in any field of social betterment.

As an example of such State and Federal co-operation might be cited the movement initiated by the Bureau of Standards for honest weights and measures, most readily obtainable through uniform State laws and inspection regulations. On Federal invitation the State weights and measures officials have, for some years, met annually in conference with Federal officials, and the results already obtained assure substantial uniformity in a very few years.

The general plans have received the indorsement of the National Conference on City Planning and the commendation of the governing boards of the National Municipal League and of the American Civic Association, as also the hearty approval of numerous members of these and other organizations and many State and Federal officials.

FACSIMILE OF OFFICIAL PARCEL POST MAP.



THIS MAP IS FOR USE ONLY IN UNIT No. 1071

Numbered squares represent units of area; red lines indicate boundaries of zones.
The unit of area in which each post office is located is shown in the Parcel Post Guide.
All units of area intersected by the circle forming the outer boundary of any zone shall be considered as being entirely within such zone.

RATES OF POSTAGE

Parcels weighing four ounces or less are mailable at the rate of one cent for each ounce or fraction of an ounce, regardless of distance. Parcels weighing more than four ounces are mailable at the pound rate, as shown by the following table, and when mailed at this rate any fraction of a pound is considered a full pound.

Weight.	*1st zone.		2d zone rate.	3d zone rate.	4th zone rate.	5th zone rate.	6th zone rate.	7th zone rate.	8th zone rate.
	Local rate.	Zone rate.							
1 pound	$0.05	$0.05	$0.06	$0.07	$0.08	$0.09	$0.10	$0.11	$0.12
2 pounds	.06	.08	.10	.12	.14	.16	.19	.21	.24
3 pounds	.07	.11	.14	.17	.20	.23	.28	.31	.36
4 pounds	.08	.14	.18	.22	.26	.30	.37	.41	.48
5 pounds	.09	.17	.22	.27	.32	.37	.46	.51	.60
6 pounds	.10	.20	.26	.32	.38	.44	.55	.61	.72
7 pounds	.11	.23	.30	.37	.44	.51	.64	.71	.84
8 pounds	.12	.26	.34	.42	.50	.58	.73	.81	.96
9 pounds	.13	.29	.38	.47	.56	.65	.82	.91	1.08
10 pounds	.14	.32	.42	.52	.62	.72	.91	1.01	1.20
11 pounds	.15	.35	.46	.57	.68	.79	1.00	1.11	1.32

*For a full explanation of the rates of postage in the First Zone see the Parcel Post Guide.

OFFICIAL PARCEL POST MAP
OF
THE UNITED STATES

APPROVED JANUARY 1, 1913.

Frank H Hitchcock
Postmaster General.

While the system for the calculation of the parcel post rate as indicated above may appear confusing, because unfamiliar, it is, as a matter of fact, simple. The zones here shown are related to Washington and vicinity, but a similar zonal method may be adapted to any spot in the United States: for each one of the units of area becomes for the post-office or post-offices in that unit the center of a zonal system on which the figure "1" would appear. There will be in each post-office of the United States a map similar to the above, but with the figure "1" located on the unit of area of the postoffice in which the map is displayed. Consequently, from that unit as a center, the various zones will be described in the manner shown above.

For convenience, the Post-office Department has shown the zones in circular form. This is not exact, for it is stated that all units of area intersected by the circle forming the outer boundary of any zone shall be considered as being entirely within such zone; thus the large figure "1" appearing above in area 1071 is the center of a zone made up of all units of area that are in contact with number 1071, so that for practical purposes zone 1 is oblong in shape and not circular. This same condition holds in relation to every area intersected by the boundary of a zone.

The regulations that cover in detail the workings of the new parcel post system have been approved by Postmaster General Hitchcock, and the pamphlets containing them are being turned off at the Government Printing Office on a rush order for the distribution that began December 13. This new branch of the postal service will afford the American people the opportunity to send farm and factory products by mail from and to any point in the United States or its possessions.

The minimum rate will be 5 cents for the first pound and 3 cents for each additional pound to any point not exceeding fifty miles from the office of mailing; the local rate, which is 5 cents for the first pound and 1 cent for each additional pound, applies to all parcels the delivery of which does not involve their transportation on railway lines. The rates increase for each successive one of the eight zones, the maximum rate being 12 cents a pound which will carry a parcel across the continent or to any of our possessions. Parcels will be limited to eleven pounds in weight and six feet in length and girth combined.

Mailable Perishable Articles.

Butter, lard, and perishable articles such as fish, fresh meats, dressed fowls, vegetables, fruits, berries, and articles of a similar nature that decay quickly, when so packed or wrapped as to prevent damage to other mail matter, will be accepted for local delivery either at the office of mailing or on any rural route starting therefrom. When inclosed in an inner cover and a strong outer cover of wood, metal, heavy corrugated pasteboard, or other suitable material, and wrapped so that nothing can escape from the package, they will be accepted for mailing to any offices within the first zone or within a radius of fifty miles. Butter, lard, or any greasy or oily substances intended for delivery at offices beyond the first zone must be suitably packed. Vegetables and fruits that do not decay quickly will be accepted for mailing to any zone if packed so as to prevent damage to other mail matter. Eggs will be accepted for local delivery when securely packed in a basket or other container. Eggs will be accepted for mailing regardless of distance when each egg is wrapped separately and packed in a container.

There is no restriction on salted, dried, smoked, or cured meats and other meat products, but fresh meat in any form will be transported only within the first zone.

Parcels containing perishable articles must be marked "PERISHABLE" and articles likely to spoil within the time reasonably required for transportation and delivery will not be accepted for mailing.

Manufactured Articles.

Manufacturers or dealers intending to transmit articles in considerable quantities are asked to submit to the postmaster for approval a specimen parcel showing the manner of packing.

When sharp pointed instruments are offered for mailing, the points must be capped or incased. Blades must be bound so that they will remain firmly attached to each other or within their handles or sockets.

Ink powders, pepper, snuff, or other similar powders not explosive, or any similar pulverized dry substances, not poisonous, may be sent when inclosed in cases made of metal, wood, or other material to render impossible the escape of any of the contents. Flour of all kinds must be put up in such manner as to prevent the package breaking or cracking or the flour being scattered in the mails.

Queen Bees and Nursery Stock.

Queen bees, live insects, and dried reptiles may be mailed in accordance with the regulations that now apply to other classes of mail.

Seeds of fruit, nursery stock, and all other plant products for propagation may be mailed under the same conditions.

Confectionery and Soap.

Candies, confectionery, yeast cakes, soap in hard cakes, &c., must be inclosed in boxes and so wrapped as to prevent injury to other mail matter.

Sealed original packages of proprietary articles, such as soaps, tobacco, pills, tablets, &c., put up in fixed quantities by the manufacturer, and not in themselves unmailable, will be accepted for mailing when properly wrapped.

Millinery.

Fragile articles, such as millinery, toys, musical instruments, &c., and articles consisting wholly or in part of glass, or contained in glass, must be securely packed and the parcel stamped or labeled "FRAGILE."

Unmailable Matter.

The following matter is declared nonmailable by law:

Matter manifestly obscene, lewd, or lascivious; articles intended for preventing conception; articles intended for indecent or immoral purposes, all matter otherwise mailable by law, the outside cover or wrapper of which bears any delineations or language of a libelous, scurrilous, defamatory, or threatening character. All such matter, when deposited in a post-office or found in the mails, shall be withdrawn and sent to the Division of Dead Letters.

Spirituous, vinous, malted, fermented, or other intoxicating liquors of any kind; poisons of every kind, and articles and compositions containing poison, poisonous animals, insects and reptiles; explosives of every kind, inflammable materials (which are held to include matches, kerosene oil, gasoline, naphtha, benzine, turpentine, denatured alcohol, &c.) infernal machines, and mechanical chemical or other devices or compositions which may ignite or explode, disease germs or scabs and other natural or artificial articles, compositions, or materials of whatever kind which may kill, or in any wise injure another or damage the mail or other property.

Pistols, Animals, and Birds.

Pistols or revolvers, whether in detached parts or otherwise, live or dead (and not stuffed) animals, birds or poultry, raw hides or pelts, guano, or any article having a bad odor will not be admitted to the mails.

Treatment of Undelivered Parcels.

Perishable matter will be delivered as promptly as possible, but if such matter cannot be delivered and becomes offensive and injurious to health, postmasters may destroy it, or the injurious or offensive portion thereof.

Undeliverable perishable matter which in its nature does not become offensive or injurious to health may be delivered by postmasters to the proper local municipal authority to be distributed to hospitals, asylums or other charitable or reformatory institutions. If there is no such municipal authority, the matter may be delivered to any charitable institution or organization making application therefor. If no application is made, the matter will be destroyed at the expiration of two weeks.

Parcels Improperly Packed.

Postmasters will refuse to receive for mailing parcels not properly indorsed or packed for safe shipment.

When parcels on which the postage is wholly unpaid or insufficiently prepaid is deposited for local delivery and the sender is unknown, notice of detention need not be sent, but such matter will be delivered and the deficient postage collected from the addressee by the carrier. If the addressee refuses to pay the postage the matter will be sent to the Division of Dead Letters.

Insurance on Parcels.

A mailable parcel on which the postage is fully prepaid may be insured against loss in an amount equivalent to its actual value, but not to exceed $50, on payment of a fee of 10 cents in parcel post stamps, such stamps to be affixed.

When a parcel is insured, the sender will be given a receipt showing the office and date of mailing and number of the parcel.

When a return receipt is desired by the sender of an insured parcel the postmaster at the mailing office will note the request on the margin of the insurance tag, and the postmaster at the office of address will obtain from the addressee a receipt and mail it to the sender.

The liability for indemnity shall cease when delivery has been effected.

Forwarding of Parcels.

Parcels may be remailed or forwarded on the payment of additional postage at the rate which would be chargeable if they were originally mailed at the forwarding office, in which case the necessary stamps will be affixed by the forwarding postmaster. Payment must be made every time the parcel is forwarded.

Preparation for Mailing.

Parcels must be prepared for mailing in such manner that the contents can be easily examined. A parcel will not be accepted for mailing unless it bears the name and address of the sender preceded by the word "From."

In addition to the name and address of the sender, which is required, it will be permissible to write or print on the covering of a parcel, or on a tag or label attached to it, the occupation of the sender, and to indicate in a small space by means of marks, letters, numbers, names or other brief description, the character of the parcel, but ample space must be left on the address side for the full address in legible characters and for the necessary postage stamps. Inscriptions such as "Merry Christmas," "Please do not open until Christmas," "Happy New Year," "With best wishes," and the like, may be placed on the covering of the parcel in such manner as not to interfere with the address.

Distinctive Stamps.

The law requires that the postage on all matter must be prepaid by distinctive parcel post stamps affixed. Postmasters cannot receive for mailing parcels that do not bear such stamps.

Parcel post stamps are not valid for the payment of postage on matter of the first, second, and third classes, and, when used for that purpose, the matter to which they are affixed shall be treated as "Held for postage."

Maps and Guides.

Parcel post maps, with accompanying guides, are to be sold to the public at their cost, 75 cents, through the chief clerk of the Post-office Department. In ordering maps care should be taken to specify the post-office from which the postage rates are to be determined. On January 15, all postmasters will report the volume of parcels post business, the additional cost, &c., these data will be used to make an estimate for necessary appropriations to be submitted to Congress.

The Nation's Marvelous Post Office Development

The following figures, covering seventy-six years, indicate not merely the growth of the United States in population and postal activity, but also the ever-increasing ratio of postal revenues to population. The revenue per capita was constantly fluctuating between 1837 and 1861, never reaching 30 cents up to the latter year. Fifty years later the per capita expenditure was ten times greater.

Fiscal year.	Estimated population.	Number of post-offices.	Audited postal revenues.	Revenue per capita.	Audited postal expenditures.	Adjusted loses and contingencies, postal funds.	Audited postal surplus.	Audited postal deficit.
1837*	15,655,000	11,767	$4,101,703.33	$0.26	$3,288,319.63	†$0.28	$813,384.58	....
1838	16,112,000	12,519	4,238,733.46	.26	4,430,662.21	....	....	$191,928.75
1839	16,584,000	12,780	4,484,656.70	.27	4,636,536.31	....	....	151,879.61
1840	17,069,453	13,468	4,543,521.92	.27	4,718,235.64	....	....	174,713.72
1841	17,591,000	13,778	4,407,726.27	.25	4,499,686.73	....	....	91,960.46
1842	18,132,000	13,733	4,546,849.65	.25	5,672,751.76	†1,688.81	....	1,124,213.30
1843	18,691,000	13,814	4,296,225.43	.23	4,374,753.71	90.56	....	78,618.84
1844	19,276,000	14,103	4,237,287.83	.22	4,298,512.70	115.25	....	61,340.12
1845	19,878,000	14,183	4,289,841.80	.22	4,320,731.99	5,959.94	....	36,850.13
1846	20,500,000	14,601	3,487,199.35	.17	4,076,036.91	44,480.60	....	633,318.22
1847	21,143,000	15,146	3,880,309.23	.18	3,979,542.10	101,586.29	....	200,819.16
1848	21,805,000	16,159	4,555,211.10	.21	4,326,850.27	53,609.36	174,751.47	....
1849	22,489,000	16,749	4,705,176.28	.21	4,479,049.13	†1,335.41	227,512.56	....
1850	23,191,876	18,417	5,499,984.86	.20	5,212,953.43	291.49	286,739.94	....
1851	23,995,000	19,796	6,410,604.33	.27	6,278,401.68	308.03	131,894.62	....
1852	24,802,000	20,901	5,184,526.84	.21	7,108,459.04	†909.35	....	1,923,022.85
1853	25,615,000	22,320	5,240,724.70	.20	7,982,756.59	332.78	....	2,742,364.67
1854	26,433,000	23,548	6,255,586.22	.24	8,577,424.12	30,862.08	....	2,352,699.98
1855	27,256,000	24,410	6,642,136.13	.24	9,968,342.29	649.99	....	3,325,856.15
1856	28,083,000	25,565	6,920,821.66	.25	10,405,286.36	2,581.82	....	3,487,046.52
1857	28,916,000	26,586	7,353,951.76	.25	11,508,057.93	†387.77	....	4,153,718.40
1858	29,753,000	27,977	7,486,792.86	.25	12,722,470.01	†833.45	....	5,234,843.70
1859	30,596,000	28,539	7,968,484.07	.26	11,458,083.63	†571.30	....	3,489,028.26
1860	31,443,321	28,498	8,518,067.40	.27	19,170,609.90	†3.93	....	10,652,538.66
1861	32,064,000	28,586	8,349,296.40	.26	13,606,759.11	†5,495.73	....	5,251,966.98
1862	32,704,000	28,875	8,299,820.90	.25	11,125,364.13	601.12	....	2,826,144.35
1863	33,365,000	29,047	11,163,789.59	.33	11,314,206.84	†7,792.11	....	142,625.14
1864	34,046,000	28,878	12,438,253.78	.37	12,644,786.20	193,282.30	....	404,814.72
1865	34,748,000	20,550	14,556,158.70	.42	13,694,728.28	†55,819.08	917,249.50	....
1866	35,469,000	23,828	14,386,986.21	.40	15,352,079.30	†31,241.99	....	933,851.10
1867	36,211,000	25,163	15,237,026.87	.42	19,235,483.46	†26,104.67	....	3,972,351.92
1868	36,973,000	26,481	16,292,600.80	.44	22,730,792.65	107,156.35	....	6,545,348.20
1869	37,756,000	27,100	17,314,175.72	.46	23,698,131.50	†20,218.53	....	6,363,737.20
1870	38,558,371	28,492	18,879,536.73	.49	23,998,837.63	†21,446.79	....	5,097,854.11
1871	39,555,000	30,045	20,037,045.42	.51	24,390,104.08	5,693.55	....	4,358,752.21
1872	40,596,000	31,863	21,915,426.37	.54	26,658,192.31	6,329.17	....	4,749,094.11
1873	41,677,000	33,244	22,996,741.57	.55	29,084,945.67	40,688.47	....	6,128,892.84
1874	42,730,000	34,294	26,471,071.82	.62	32,126,414.58	102,565.31	....	5,757,908.07
1875	43,951,000	35,547	26,791,313.51	.61	33,611,309.45	324.93	....	6,820,320.84
1876	45,137,000	36,383	28,644,197.50	.63	33,263,487.58	27,962.96	....	4,647,253.01
1877	46,353,000	37,345	27,531,585.26	.59	33,486,322.44	172,618.84	....	6,127,358.02
1878	47,598,000	38,253	29,277,516.95	.62	34,165,084.49	17,461.74	....	4,905,029.28
1879	48,866,000	40,588	30,041,982.86	.62	33,449,899.45	8,016.41	....	3,415,923.00
1880	50,155,783	42,989	33,315,479.34	.66	36,542,803.68	†5,370.86	....	3,221,953.48
1881	51,316,000	44,512	36,785,397.97	.72	39,592,566.22	14,790.86	....	2,821,959.11
1882	52,495,000	46,231	41,876,410.15	.80	40,482,021.23	140,465.35	1,253,923.57	....
1883	53,693,000	46,820	45,508,692.61	.85	43,282,944.43	44,395.61	2,181,352.57	....
1884	54,911,000	48,434	43,325,958.81	.79	47,224,560.27	8,455.83	....	3,907,057.29
1885	56,148,000	51,252	42,560,843.83	.76	50,046,235.21	†3,091.16	....	7,481,410.22
1886	57,404,000	53,614	43,948,422.95	.77	51,004,743.80	12,174.25	....	7,068,495.10
1887	58,680,000	55,157	48,837,609.39	.83	53,006,194.39	†23,566.80	....	4,145,018.20
1888	59,974,000	57,376	52,695,176.79	.88	56,468,315.20	†672.38	....	3,772,466.03
1889	61,289,000	58,999	56,175,611.18	.92	62,317,119.36	27,596.25	....	6,169,104.44
1890	62,622,250	62,401	60,882,097.92	.97	66,259,547.84	23,314.52	....	5,400,764.44
1891	63,947,000	64,329	65,931,785.72	1.03	73,059,519.49	22,876.36	....	7,150,610.13
1892	65,191,000	67,119	70,930,475.98	1.09	76,980,846.16	60,605.79	....	6,110,975.97
1893	66,456,000	68,403	75,896,933.16	1.14	81,581,681.33	32,040.58	....	5,716,788.75
1894	67,740,000	69,805	75,080,479.04	1.11	84,994,111.62	63,882.74	....	9,977,515.32
1895	69,043,000	70,064	76,983,128.10	1.12	87,179,551.28	34,019.64	....	10,230,442.13
1896	70,365,000	70,360	82,499,208.40	1.17	90,932,669.50	10,740.21	....	8,444,201.31
1897	71,704,000	71,022	82,665,462.73	1.15	94,077,242.38	19,799.76	....	11,431,579.41
1898	73,060,000	73,570	89,012,618.55	1.22	98,033,523.61	33,646.69	....	9,054,551.75
1899	74,433,000	75,000	95,021,384.17	1.28	101,632,160.92	19,358.85	....	6,630,135.60
1900	76,126,000	76,688	102,354,579.29	1.34	107,740,267.99	24,669.40	....	5,410,358.10
1901	77,708,000	76,945	111,631,193.39	1.43	115,554,920.87	57,793.23	....	3,981,520.71
1902	79,298,000	75,924	121,848,047.26	1.53	124,785,697.07	23,520.10	....	2,961,169.91
1903	80,897,000	74,169	134,224,443.24	1.66	138,784,487.97	26,932.43	....	4,586,977.16
1904	82,503,000	71,131	143,582,624.34	1.74	152,362,116.70	33,276.81	....	8,812,769.17
1905	84,118,000	68,131	152,826,585.10	1.81	167,399,169.23	21,802.99	....	14,594,387.12
1906	85,742,000	65,600	167,932,782.95	1.96	178,449,778.89	25,945.82	....	10,542,941.76
1907	87,373,000	62,658	183,585,005.57	2.11	190,238,288.34	38,748.70	....	6,692,031.47
1908	89,013,000	61,158	191,478,663.41	2.15	208,351,886.15	37,056.25	....	16,910,278.99
1909	90,662,000	60,144	203,562,383.07	2.24	221,004,102.89	38,030.65	....	17,479,770.47
1910	92,318,000	59,580	224,128,657.63	2.43	229,977,224.50	32,915.07	....	5,881,481.05
1911	93,933,000	59,237	237,879,823.60	2.53	237,648,926.68	11,778.80	219,118.12	....
1912	95,656,000	58,729	246,744,015.88	2.58	248,525,450.08	4,068.90	....	1,785,523.10

*The office of Auditor for the Post-office Department was created by act of Congress approved July 2, 1836.

†Amount of balances due late postmasters closed to "Suspense" in excess of losses.

Steady Financial Drain Caused by Money Orders

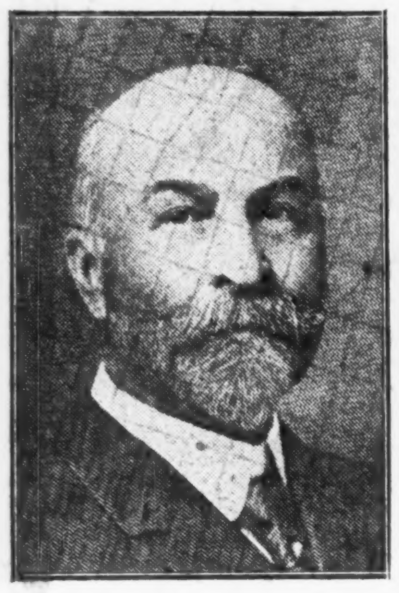
The annual report of the Auditor of the Post-office Department gives evidence of the steady annual drain through small remittances sent abroad in money orders. These remittances usually represent aid sent to home folks. The balance against the United States in the year ended June 30, 1912, was more than $75,000,000.

Country.	International orders certified for payment in foreign countries. No.	Value.	International orders certified for payment in the United States. No.	Value.	Excess certified by United States.	Excess certified by foreign countries.
Australia	6,069	$103,019.03	14,157	$124,203.30	....	$21,184.27
Austria	320,718	8,876,084.36	30,611	1,521,724.53	$7,354,359.83	....
Belgium	31,871	797,146.55	7,516	200,310.13	596,836.42	....
Bolivia	82	1,635.15	293	3,137.00	....	1,501.85
Chile	590	6,994.62	3,804	30,016.37	....	23,021.75
Costa Rica	124	1,751.00	1,850	14,035.34	....	12,284.34
Denmark	38,201	574,570.74	5,765	134,034.96	440,535.78	....
Egypt	1,560	33,987.31	1,744	21,507.88	12,479.43	....
France	87,900	1,441,484.31	22,240	273,693.37	1,170,790.94	....
Germany	289,831	4,388,552.70	75,016	1,982,362.06	2,406,190.64	....
Great Britain	1,021,392	13,422,974.07	142,924	1,851,237.35	11,571,736.72	....
Greece	89,976	3,805,962.16	368	11,514.49	3,794,447.67	....
Honduras	30	648.84	234	2,402.17	....	1,753.33
Hangkong	1,287	33,385.68	666	6,330.51	27,055.17	....
Hungary	253,751	8,779,589.03	23,285	1,468,169.68	7,311,419.35	....
Italy	565,143	21,499,085.22	21,066	1,121,531.31	20,377,553.01	....
Japan	132,283	4,374,224.70	9,732	136,130.57	4,238,094.13	....
Liberia	129	6,382.47	202	3,211.37	3,171.10	....
Luxemburg	1,466	37,483.63	543	28,712.14	8,771.49	....
Netherlands	26,874	373,423.08	6,466	96,358.52	277,064.56	....
New Zealand	2,210	51,364.03	13,122	120,683.54	....	69,321.51
Norway	123,869	2,647,908.87	7,873	234,235.81	2,413,673.06	....
Peru	326	8,261.66	1,938	27,356.51	....	19,094.85
Portugal	1,025	19,212.88	782	15,273.74	3,939.14	....
Uruguay	84	2,032.26	299	2,740.46	....	708.20
Russia	466,001	9,952,543.50	15,262	624,475.06	9,328,068.44	....
Salvador	22	269.62	328	1,876.07	....	1,606.45
Sweden	202,601	3,786,754.01	13,579	578,133.24	3,208,620.77	....
Switzerland	52,470	864,451.43	8,705	138,740.43	705,711.00	....
Union of South Africa	3,232	44,683.16	8,594	96,494.52	....	51,811.36
					$75,530.56	$202,287.91

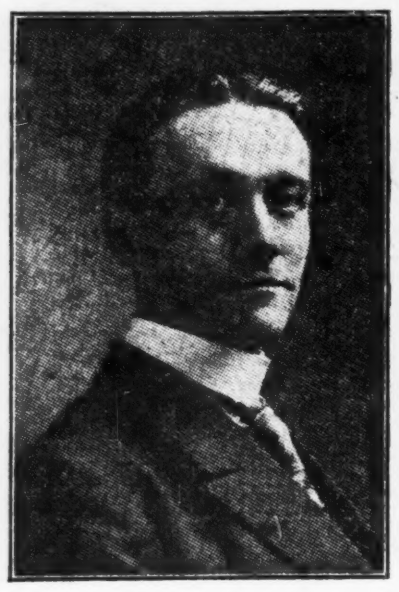
It is interesting to note that in money order transactions Canada, undoubtedly because of her new American population, is heavily obligated to the United States. The thrifty workers of the Canal Zone account for the balance shown below as against that narrow strip of territory:

Country.	United States domestic-orders paid in foreign countries. No.	Value.	Foreign domestic orders paid in the United States. No.	Value.	Excess paid in foreign countries.	Excess paid in United States.
Antigua	2,130	$20,273.64	302	$2,818.67	$17,454.97	....
Bahamas	563	7,439.43	1,654	16,095.17	....	$8,655.74
Barbados	30,579	333,954.29	1,389	17,613.81	316,340.48	....
Bermuda	1,066	18,690.61	2,462	29,728.47	....	11,037.86
British Guiana	2,244	23,670.22	3,358	15,341.76	8,328.46	....
British Honduras	159	2,294.13	4,649	42,002.85	....	39,708.72
Canada	456,900	6,426,969.07	1,324,354	11,298,182.93	....	4,871,213.86
Canal Zone	3,403	85,048.98	184,967	3,791,974.20	....	3,706,925.22
Cuba	27,364	417,790.95	77,673	979,217.70	....	561,426.75
Dominica	265	3,919.10	230	2,029.57	1,889.53	....
Grenada	2,546	31,635.82	685	7,974.43	23,661.39	....
Jamaica	27,698	341,371.47	3,722	39,073.39	302,298.08	....
Mexico	166,069	3,391,218.58	138,804	3,528,585.56	....	137,336.98
Montserrat	855	11,296.00	98	2,371.60	8,924.47	....
Nevis	622	11,240.68	73	1,102.45	10,138.23	....
Newfoundland	6,633	123,723.76	7,969	79,898.79	43,824.97	....
Philippine Islands	8,006	213,621.27	71,034	1,799,103.21	....	1,585,481.94
St. Kitts	964	17,911.57	112	1,100.53	16,811.04	....
St. Lucia	1,150	12,113.27	377	3,815.31	8,297.96	....
St. Vincent	2,182	26,877.29	236	2,012.64	24,864.65	....
Trinidad	3,710	43,123.48	3,445	25,060.43	18,064.05	....
Virgin Islands	29	406.26	152	7,391.83	....	6,985.57
					$900,368.28	$10,928,772.64

SEVERAL OF THE TWO HUNDRED COUNCILLORS WHO WILL PA

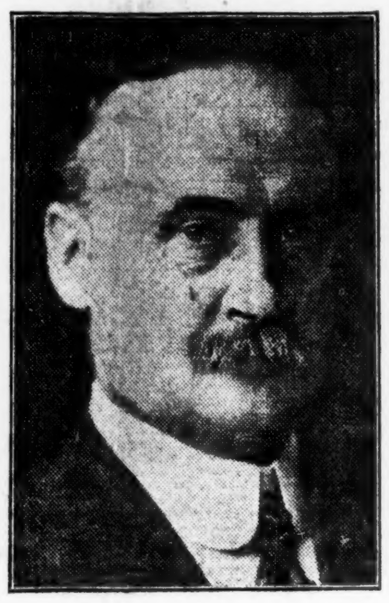


CHARLES H. JONES,
Councillor
Representing the National Boot and Shoe Manufacturers' Association.

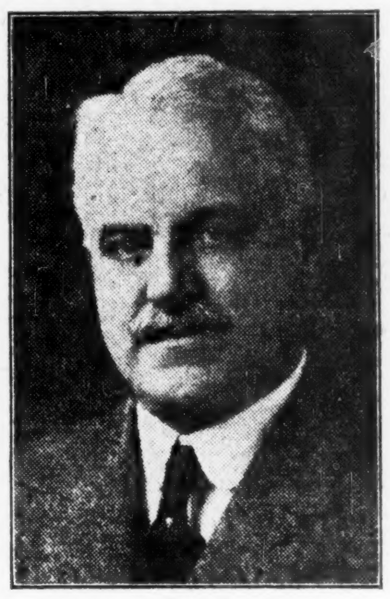


GEORGE L. McCARTHY,
Councillor
Representing the American Meat Packers' Association.

ERNEST T. TRIGG,
Councillor
Representing the Paint Manufacturers' Association.



LEVI L. RUE,
Councillor
Representing the American Bankers' Association.



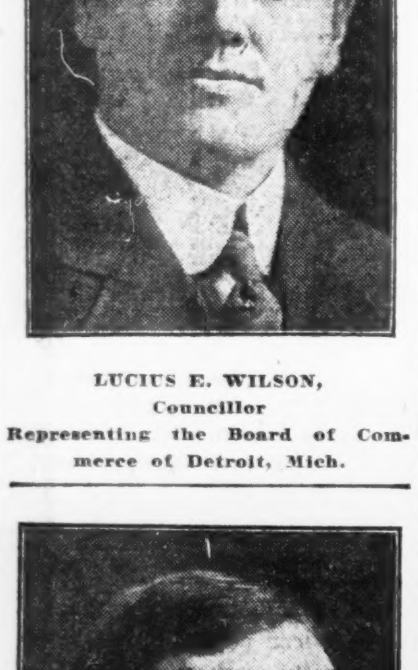
THOMAS EDWARD WILDER,
Councillor
Representing the National Association of Tanners.

A. J. WALTER,
Councillor
Representing the National Confectioners' Association.

FRED A. DIGGINS,
Councillor
Representing the National Ha wood Lumber Association.

HORTON CORWIN, JR.,
Councillor
Representing the North Carolina Pine Association.

LOUIS HERZOG,
Councillor
Representing the Chicago Garment Manufacturers' Association.



LUCIUS E. WILSON,
Councillor
Representing the Board of Commerce of Detroit, Mich.

THE PROPHECY . . February 16, 1783

"There is another body of men among us whose business of life, and whose full and extensive intelligence, foreign and domestic, naturally make them more perfectly acquainted with the sources of our wealth, and whose particular interests are more intimately and necessarily connected with the general prosperity of the country than any other order of men in the States. I mean the merchants; and I could wish that Congress might have the benefit of that extensive and important information which this body of men are very capable of laying before them.

"I therefore humbly propose, if the merchants in the several States are disposed to send delegates from their body to meet and attend the sitting of Congress, that THEY SHALL BE PERMITTED TO FORM A CHAMBER OF COMMERCE, and their advice to Congress be demanded and admitted concerning all bills before Congress as far as the same may affect the trade of the States."

(Pelatiah Webster in his dissertation on the Constitution of the Thirteen United States of North America).

THE FULFILLMENT . April 23, 1912

The Chamber of Commerce of the United States of America was organized at the National Commercial Conference called by the President of the United States through Secretary Nagel and held in the city of Washington, D. C., April 22-23, 1912.

It is to be a clearing house for business opinion, business methods, and such efforts of organized commercial bodies as have suggestive importance in relation to the work of other organizations.

It will furnish to the public, and to the government at Washington that correlation which has hitherto been lacking in the activities of the government. It will be a correlating force, thus enabling all the people to learn through an official organization just exactly what is available in the way of knowledge from a government that is very highly ramified and scientifically specialized.

It is to secure by means of referendum vote an intimate knowledge of the business sentiment of the United States on all important subjects affected by national legislation. In the matter of intimate touch between the Congress c the United States and the business interests of the United States, it is self-evident that Representatives and Senators, together with the legislation that they put forth, suffer by reason of a lack of intimate knowledge of the business sentiment of the United States. There are, indeed, many hearings on many subjects, but only a few come to these hearings, and in no case has there been a public hearing in the city of Washington where the business interests of the whole nation were adequately represented and able to make the voice of their desire known. Yet, day by day, questions of business are constantly coming up in connection with which the President, the departments and Congress would be glad to know the actual impressive wish of the people relative to some subject of national policy. Consequently, the Chamber of Commerce of the United States of America will serve as a means of bringing together business opinions on many business subjects as affected by national legislation. It will carry on a referendum system month after month, and year after year in order to be able to supply to the Congress, to the government, and to each incumbent President exactly what is the business judgment of the United States on some subject affecting business or development.

THE DESIRE . . . . June 4, 1912

Following the advice of the Secretary of Commerce and Labor in his address at the National Commercial conference, the board of directors was ordered to take steps to secure a Federal charter. A bill was, therefore, prepared and introduced in the House of Representatives on June 4 and referred to the Committee on the Judiciary, which committee promptly reported the bill back to the House "with the recommendation that the bill do pass," with these significant comments.

"As the purpose of the corporation proposed in this bill is to encourage trade and commercial intercourse among the States, the District of Columbia, the Territories, and insular possessions of the United States and with foreign nations—in other words, as its purpose is to encourage, stimulate, facilitate, and extend our commercial relations, there can be no question as to the right and the power of Congress to grant the proposed charter."

"While we have many commercial bodies in the country, known as chambers of commerce and commercial clubs of one sort or another, they are all purely local in their character intended only to benefit the particular communities in which they are located, we have no organization of a national or quasi national character, such as it is proposed in this bill to organize. The proposed organization would be Federal in its character, its constituent elements being various commerce bodies throughout the country, so that if the purpose be fully realized, it will be thoroughly national and cosmopolitan."

"Its possible usefulness is practically unlimited, both as to our domestic and foreign commercial relations."

"In the collection, publication and distribution of the latest commercial statistics alone it can do incalculable good."

"It can and ought to greatly increase the commercial standing and importance of the United States among foreign nations by materially extending our foreign trade and by creating a higher standard of business ethics."

First Annual Meeting of The Chamber of Commerce of the United Stat of America

January 21-23, 1913.

Intense interest has already been aroused in the first annual m ing of the Chamber of Commerce of the United States of Amer More than 200 constituent members have selected 700 delegates, majority of whom are expected to be present as the questions of ad ing and approving the work of the officers selected for the first will be taken up and discussed.

In addition many subjects of personal interest to the bus forces of America will be considered. The business men of the tion who may be present in Washington, though their organiza may not be affiliated with the Chamber of Commerce of the U States will be welcomed at all general sessions. Sessions will be in the New Willard Hotel. It is hoped that as many delegates as sible will be accompanied by ladies.

TUESDAY, JANUARY 21, 10:30 A. M.

Secretary Nagel, of the Department of Commerce and La will welcome the convention. Peculiar interest will attach to words; for it was his speech of April 22 that served fully to vince the delegates of the National Council conference that time had come for a united, forward move by the business of America. After a response by President Harry A. Wh and brief speeches by prominent Congressmen, in sympathy the purposes of the Chamber of Commerce, committees w appointed.

TUESDAY, JANUARY 21, 2:30 P.M.

The committee on credentials will make its report and the sions thus become fully organized. The board of directors an treasurer will go over in detail the work accomplished since 1912. All discussions relative to by-laws will be taken up session subsequent to the report of the committee on by-law

TUESDAY, JANUARY 21, 8 P. M.

A recepton is being considered. Later announcement w made.

WEDNESDAY, JANUARY 22, 10 A.M.

Three speeches will be delivered during this session, dealin banking and currency reform, the consular service, and t lation of business to civil service reform. Under the by-la tion can be taken at this meeting on subjects duly presen individual members, the national council or the board of dir

Among the subjects so to be considered will be a per tariff commission; bills introduced by Congressman Sulzer, ing for the improvement of the consular service and the p housing of our diplomatic representatives abroad; the Pom bill, and other legislation affecting bills of lading now pendi Congress; the recognition of the Chinese Republic; the Pag Subjects may also be presented by committee if ready for a such as the appropriations for government bureaus engag promotion of commercial interests.

WEDNESDAY, JANUARY 22, AFTERNOON.

No sessions will be held, so that all delegates having bu with the departments or with Congress may have ample time. cial delegations will visit the departments of State, Commerc Labor, and Agriculture. Certain bureaus, peculiarly relat business will be visited, such as Standards, the Census Fisheries.

WEDNESDAY JANUARY 22, 8 P.M.

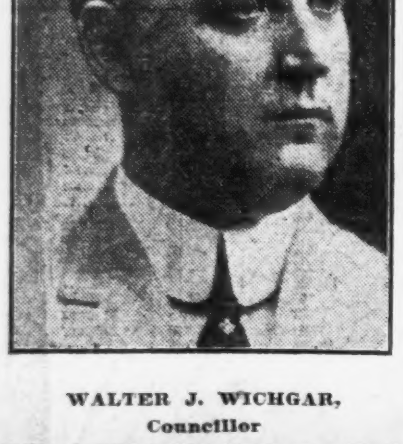
First annual banquet. President Taft will be present and ticipate.

THURSDAY, JANUARY 23, 10 A. M.

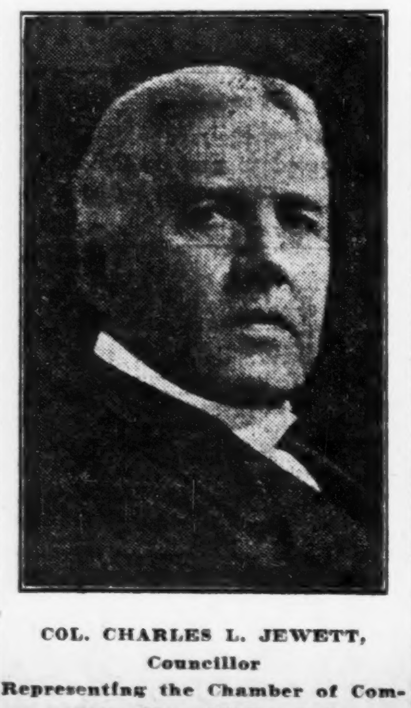
The committee on resolutions will report and discussion follow. During this session also, further consideration w given to special subjects, unfinished in the session of Wedn morning.

THURSDAY, JANUARY 23, 3 P. M.

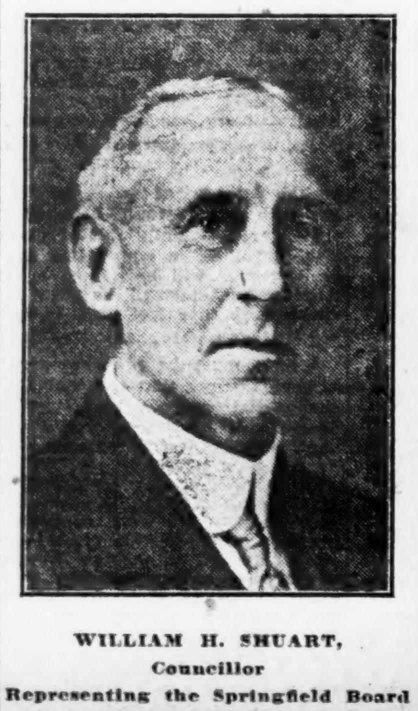
Election of board of directors. There will be further cons tion of special subjects before adjournment. Subsequent t journment the new board of directors will organize and pla their work.



WALTER J. WICHGAR,
Councillor
Representing the Business Men's Club of Cincinnati.

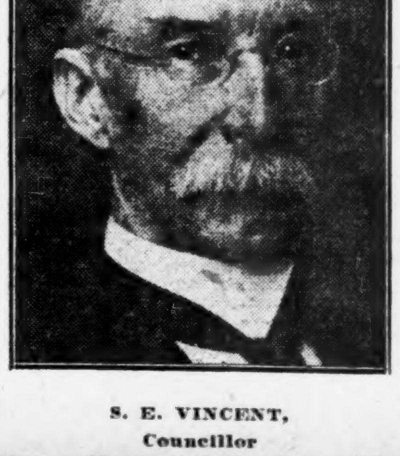


COL. CHARLES L. JEWETT,
Councillor
Representing the Chamber of Commerce, New Albany, Ind.

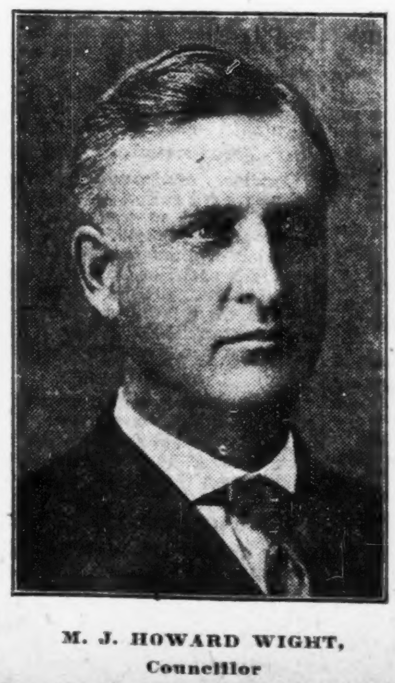


WILLIAM H. SHUART,
Councillor
Representing the Springfield Board of Trade.

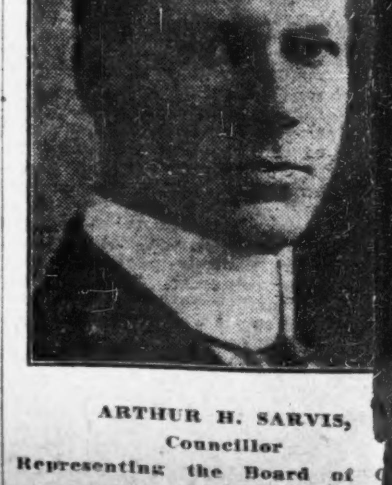
HUGH JACKSON ROWE,
Councillor
Representing the Chamber of Commerce of Athens, Ga.



S. E. VINCENT,
Councillor
Representing the Bridgeport Board of Trade.



M. J. HOWARD WIGHT,
Councillor
Representing the Board of Trade of Berlin, N. H.



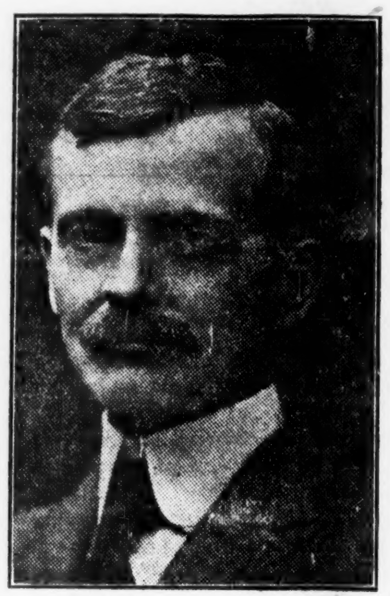
ARTHUR H. SARVIS,
Councillor
Representing the Board of merce of Flint, Mich.

CIPATE IN THE FIRST ANNUAL MEETING OF THE CHAMBER

RCIVAL D. OVIATT,
Councillor
ting the National Associa-
Employing Lithographers.

D. H. BETHARD,
Councillor
Representing the Illinois Commercial Federation.

HOMER McDANIEL,
Councillor
Representing the American Warehousemen's Association.


WILLIAM CAREY COFFIN,
Councillor
Representing the Bridge Builders' Society.

CHARLES PIEZ,
Councillor
Representing the Illinois Manufacturers' Association.

ARTHUR C. HASTINGS,
Councillor
Representing the American Paper and Pulp Association.

JOHN DONNAN,
Councillor
Representing the Southern Hardware Jobbers' Association.

EXTRACTS
From the Tenth Annual Report of SECRETARY NAGEL
Department of Commerce and Labor

organization of the Cham- Commerce of the United is a most significant step establishing between the mental agencies and the ial and industrial world lation which is absolutely l to intelligent and ef- co-operation.

RIFF INVESTIGATIONS

be noted that the new bureau of Foreign and Domestic has been given authority tain, at as early a date as and whenever industrial all make it essential, the cost ng articles at the time dutia- e United States, in leading where such articles are pro- fully specified units of pro- d under a classification show- ifferent elements of cost, or e cost, of such articles of including the wages paid in ries per day, week, month, or year, or by the piece; and hours employed per day; and the profits of manufacturers and producers of such articles; and the comparative cost of living, and the kind of living; what articles are controlled by trusts or other combinations of capital, business operations, or labor, and what effect said trusts, or other combinations of capital, business operations, or labor have on production and prices." With proper appropriations the bureau is thus in a position to pursue investigations in relation to tariff and similar questions affecting commerce.

Trade Commission Idea.

During the past year there has been much discussion of proposed legislation for the establishment of a trade commission, which should succeed to, and considerably amplify the powers of, the present Bureau of Corporations. Several bills were introduced in Congress, but thus far this discussion has been productive of little net result; except to demonstrate the need of still further consideration of the subject.

Before such a body is established it is essential that some fundamental considerations be carefully weighed and settled. The powers of the present Bureau of Corporations are powers of inquiry and publicity, and in the exercise of these rather wide discretion is desirable, and, indeed, almost unavoidable. In dealing with powers of regulation, however, there must of necessity be a definition of these powers in the statute, and that definition presents a problem of vital importance. Perhaps the most serious danger involved in such a trade commission is the natural tendency to extend its authority.

Fixing Commodity Prices.

Even now some of the plans proposed contemplate extremely radical departures, as, for instance, the direct fixing of prices of commodities. Without further experience and without appreciation of the fundamental distinction between a public carrier and a private industry, it is proposed to clothe such a trade commission with substantially the same power which the Interstate Commerce Commission now exercises over railroad rates. Such fixing of prices is, of course, by no means a necessary accompaniment of a trade commission, and, in fact, the most carefully matured plans have not embraced this suggestion. Nevertheless, the fact that such propositions are seriously put forth demonstrates the necessity for extreme caution in framing legislation for the establishment of such a commission. Before reaching final conclusions, experience in this direction, especially that of various State commissions dealing with control of corporations, might well be investigated, either by a special commission or possibly by the Bureau of Corporations.

Next to the definition of the general powers of such a commission, the most important question involved is how far administrative discretion shall be conferred, or how far its functions shall be rigidly prescribed. At the outset, at least, it would seem that both the general powers and the degree of discretion should be carefully restricted. Instead of pressing Federal regulations as far as possible, the real desideratum in legislation affecting the country's business should be to preserve, to the greatest extent consistent with the public welfare, the element of self-regulation. The effort should be to lay down principles of conduct sufficiently specific to impose desired restraint, at the same time leaving a wide field for individual achievement.

Meetings of onal Councillors

anuary 20, the day g the opening of the meeting of the Cham- Commerce of the States of America, nal councillors repre- he constituent mem- will meet in the Con- n Hall of the New Wil- Hotel, Washington, D. 2 p. m., for the pur- f passing on the pro- e of the annual meet- d the order in which ns will be submitted cussion.

ediately upon adjourn- f this meeting, the na- councillors representing ssociations will meet tes for the purpose of g a nominating com- composed of one mem- n each State; simul- y, the national coun- representing national ganizations shall meet r to select ten addi- members of the nomi- committee.

Organizations Constituting The Chamber of Commerce of the United States

Corrected to December 16, 1912

(The Chamber was called into existence April 23, 1912. Great care was exercised in preliminaries. The official force was not fully organized until August, 1912. Since that date, following the usual summer lull, the growth of the Chamber has been impressive. New members are coming in daily.)

ALABAMA.
Mobile—Chamber of Commerce and Business League.

ARIZONA.
Phoenix—Board of Trade.

ARKANSAS.
Pine Bluff—Chamber of Commerce.

CALIFORNIA.
Sacramento—Chamber of Commerce.
San Francisco—Chamber of Commerce.

COLORADO.
Denver—Chamber of Commerce.

CONNECTICUT.
Bridgeport—Board of Trade.
Derby—State Business Men's Association.
Greenwich—Board of Trade.
New Haven—Chamber of Commerce.

DELAWARE.
Wilmington—Board of Trade.

DISTRICT OF COLUMBIA.
Washington—Board of Trade.

GEORGIA.
Athens—Chamber of Commerce.
Atlanta—Chamber of Commerce.
Savannah—Board of Trade.

HAWAII.
Honolulu—Chamber of Commerce.

ILLINOIS.
Alton—Board of Trade.
Bloomington — Commercial Club. (Pending).
Chicago—American Association of Refrigeration.
Chicago—American Envelope Manufacturers' Association.
Chicago—Association of Commerce.
Chicago—Board of Trade.
Chicago—Central Supply Association.
Chicago—Garment Manufacturers' Association.
Chicago—Illinois Commercial Federation.
Chicago—Illinois Manufacturers Association.
Chicago—Industrial Club.
Chicago—Millinery Jobbers' Association.
Chicago — National Association of Box Manufacturers.
Chicago—National Association of Ice Cream Manufacturers.
Chicago — National Association of Tanners.
Chicago—National Founders' Association.
Chicago—National Hardwood Lumber Association.
Chicago — National Implement and Vehicle Association.
Chicago—National Shoe Wholesalers' Association.
Chicago—National Slack Cooperage Manufacturers' Association.
Chicago—Tight Barrel Stave Manufacturers' Association.
Decatur — Chamber of Commerce. (Pending).
Dixon—Citizens' Association.
East St. Louis—Commercial Club. (Pending).
Evanston—Commercial Association.
Freeport—Citizens' Commercial Association.
Kankakee—Commercial Association.
Monmouth—Commercial Club. (Pending).
Peoria—Association of Commerce.
Quincy—Chamber of Commerce.
Rockford—Chamber of Commerce.

INDIANA.
Fort Wayne—Commercial Club.
Hammond—Chamber of Commerce.
Indianapolis—Board of Trade.
Indianapolis—Commercial Club.
Indianapolis—National Brick Manufacturers' Association.
Indiana Harbor—Commercial Club.
Logansport—Commercial Club.
New Albany—Chamber of Commerce.
Richmond—Commercial Club.

IOWA.
Cedar Rapids—Commercial Club.
Clinton—Commercial Club.
Council Bluffs—Commercial Club.
Davenport—Greater Davenport Committee, Inc.
Des Moines—Greater Des Moines Committee.
Marshalltown—Marshalltown Club.
Oscaloosa—Commercial Club.
Sioux City—Commercial Club.

KANSAS.
Abilene—National Federation of Retail Implement and Vehicle Dealers' Association.
Arkansas City—Commercial Club.
Fort Scott—Industrial Association.
Kansas City—Mercantile Club.
Lawrence—Commercial Club.
Leavenworth—Commercial Club.

KENTUCKY.
Hopkinsville—Business Men's Association.

LOUISIANA.
New Orleans—Board of Trade.
New Orleans—Progressive Union.

MAINE.
Bangor—Maine State Board of Trade.

MARYLAND.
Annapolis—Chamber of Commerce.
Baltimore—Board of Trade. (Pending).
Baltimore—Chamber of Commerce.
Baltimore—Flavoring Extract Manufacturing Association of the United States.
Baltimore—Greater Baltimore Committee.
Baltimore—Merchants' and Manufacturers' Association.
Frederick—Board of Trade.

MASSACHUSETTS.
Boston—Chamber of Commerce.
Boston—Massachusetts State Board of Trade.
Boston—New England Shoe and Leather Association.
Everett—Board of Trade.
Haverhill—Board of Trade.
New Bedford—Board of Trade.
Salem—Board of Trade.
Springfield—Board of Trade.
Worcester—Board of Trade.

MICHIGAN.
Alpena—Chamber of Commerce.
Bay City—Board of Commerce.
Detroit—Board of Commerce.
Flint—Board of Commerce.
Grand Rapids—Association of Commerce.
Kalamazoo—Commercial Club.
Jackson—Chamber of Commerce.
Saginaw—Board of Trade.
Saginaw—Wholesalers and Manufacturers' Association.

MINNESOTA.
Duluth—Board of Trade.
Minneapolis—Chamber of Commerce.
Minneapolis—Civic and Commerce Association.
St. Paul—Association of Commerce.
Winona — Association of Commerce, Inc. (Pending).

MISSISSIPPI.
Greenwood—Business League.

MISSOURI.
Carthage—Business Men's League.
Joplin—Commercial Club.
Kansas City—Commercial Club.
Kansas City—Southwestern Interstate Coal Operators' Association.
St. Joseph—Commerce Club.
St. Louis—Business Men's League.
St. Louis—Manufacturers' and Exporters' Association.
St. Louis—Merchants' Exchange.
St. Louis—National Confectioners' Association of the United States.
St. Louis—North St. Louis Business Men's Association.
Springfield—Jobbers & Manufacturers' Association.
Springfield—Young Men's Business Club.

MONTANA.
Billings—Chamber of Commerce.

NEBRASKA.
Fremont—Commercial Club.
Lincoln—Commercial Club.
Omaha—Commercial Club.

NEVADA.
Reno—Commercial Club.

NEW HAMPSHIRE.
Berlin—Board of Trade.

NEW JERSEY.
Rahway—Board of Trade.

NEW YORK.
Brooklyn—Manufacturers' Association of New York.
Buffalo—Chamber of Commerce.
Dunkirk—Board of Trade.
Kingston—Chamber of Commerce.
New Brighton—Staten Island Chamber of Commerce.
New York—American Specialty Manufacturers' Association. (Pending).
New York City—American Association of Public Accountants.
New York City—American Bankers' Association.
New York City—American Exporters' and Importers' Association.
New York City—American Meat Packers' Association.
New York City—American Paper & Pulp Association.
New York City—Bridge Builders' Society.
New York City—Cotton Exchange.
New York City—Eastern Millinery Association, Inc.
New York City—Merchants' Association.
New York City—National Association of Automobile Manufacturers, Inc.
New York City—National Association of Clothiers.
New York City—National Association of Glue and Gelatin Manufacturers.
New York City—National Association of Manufacturers of the United States.
New York—National Association of Stationers and Manufacturers of the United States.
New York—National Cotton Garment Manufacturers' Association.
New York—National Retail Dry Goods Association.
New York—National Wholesale Dry Goods Association.
New York—National Wholesale Grocers' Association of the United States.
New York—National Wholesale Lumber Dealers' Association.
New York—Produce Exchange.
New York—Railway Business Association.
New York—Silk Association of America.
New York—Stationers' Board of Trade.
New York—United States Brewers' Association.
Niagara Falls—Board of Trade.
North Tonawanda—Board of Trade.
Oswego—Chamber of Commerce.
Plattsburgh—Chamber of Commerce.
Poughkeepsie—Chamber of Commerce.
Rochester—Chamber of Commerce.
Rochester—National Association of Employing Lithographers.
Rochester—National Boot and Shoe Manufacturers' Association of the United States.
Utica—Knit Goods Manufacturers' Association.

NORTH CAROLINA.
Washington—Chamber of Commerce.
Wilmington—Chamber of Commerce.

NORTH DAKOTA.
Grand Forks—Commercial Club.

OHIO.
Akron—Chamber of Commerce.
Columbus—Chamber of Commerce. (Pending).
Cincinnati—Business Men's Club Company.
Cincinnati—Chamber of Commerce and Merchants' Exchange.
Cleveland—Chamber of Commerce.
Cleveland—National Cloak, Suit, and Skirt Manufacturers' Association.
Cleveland—National Machine Tool Builders' Association.
Cleveland—National Petroleum Association.
Dayton—Chamber of Commerce.
Elyria — Chamber of Commerce. (Pending).
East Liverpool—United States Potters' Association.
Hamilton—Chamber of Commerce. (Pending).
Lima—Progressive Association Company.
Mansfield—Chamber of Commerce.
Newark—Board of Trade.
Portsmouth—Board of Trade.
Steubenville—Chamber of Commerce. (Pending).
Youngstown—Chamber of Commerce.

OREGON.
Marshfield—Chamber of Commerce, Central.
Portland—Chamber of Commerce.

PENNSYLVANIA.
Allentown—Chamber of Commerce.
Beaver Falls—Manufacturers' Association of Beaver County.
Beaver Falls—Tile Manufacturers' Credit Association.
Easton—Board of Trade.
McKeesport—Chamber of Commerce.
Philadelphia—Chamber of Commerce.
Philadelphia—National Association of Hosiery and Underwear Manufacturers.
Philadelphia—Paint Manufacturers' Association of United States.
Pittsburg — American Warehousemen's Association.
Pittsburg—Chamber of Commerce.
Pittsburg—National Pipe and Supplies Association.
Pittsburg—Oakland Board of Trade.
Wilkesbarre—Chamber of Commerce.
York—Chamber of Commerce.
York—Manufacturers' Association.

PHILIPPINE ISLANDS.
Manila—Merchants' Association, Inc.

PORTO RICO.
San Juan—Porto Rico Association.

RHODE ISLAND.
Providence—Board of Trade.

TENNESSEE.
Chattanooga—Chamber of Commerce.
Chattanooga — Manufacturers' Association.

TEXAS.
Dallas—Chamber of Commerce.
Texarkana—Board of Trade.

VIRGINIA.
Alexandria—Chamber of Commerce.
Lynchburg—Chamber of Commerce.
Norfolk—North Carolina Pine Association.
Petersburg—Chamber of Commerce.
Richmond — Southern Hardware Jobbers' Association.

WASHINGTON.
Seattle—New Seattle Chamber of Commerce.
Tacoma—Commercial Club and Chamber of Commerce.
Tacoma—West Coast Lumber Manufacturers' Association.

WEST VIRGINIA.
Huntington—Chamber of Commerce.

WISCONSIN.
Fond du Lac—Business Men's Association.
Green Bay—Commercial Club.
Milwaukee—American Feed Manufacturers' Association. (Pending).
Milwaukee—Chamber of Commerce.
Milwaukee—Merchants and Manufacturers' Association.
Milwaukee — Wisconsin Manufacturers' association.
Oshkosh—Chamber of Commerce.
Waukesha—Business Men's Club.

TURKEY.
Constantinople—American Chamber of Commerce for the Levant.

S. CHRISTY MEAD,
Councillor
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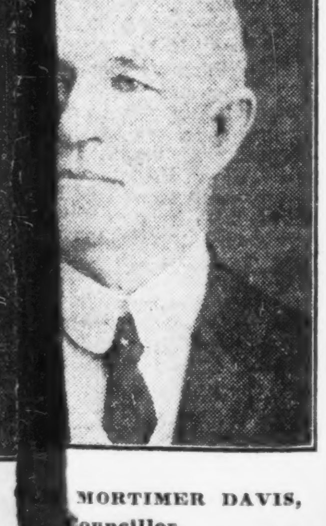
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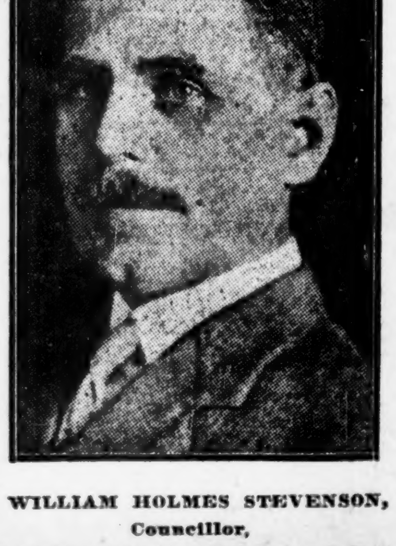
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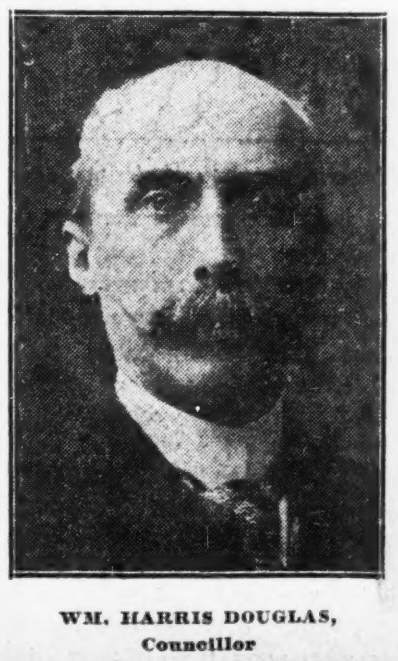
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The Ninth Annual Congress on Rivers and Harbors

The Ninth Annual Convention of the National Rivers and Harbors Congress was distinguished for the constantly reiterated thought in the various speeches, of the importance of securing adequate terminal facilities for the trans-shipment of freight from rail to boat and vice-versa.

The importance of this phase of the discussion was so marked that instead of reviewing in a general way the sessions of the Ninth Convention, we include liberal extracts from the annual address of President Ransdell and practically all of the speech of Senator Charles E. Townsend of Michigan.

There is also included in this issue the statements of President Taft relative to Mississippi floods and the claim that the Mississippi Valley has upon national consideration. The remarks of President Taft formed the opening speech of the Ninth Annual Convention of the Rivers and Harbors Congress.

The Mississippi Valley Needs $40,000,000 at Once

Portions of address of President Taft at the National Rivers and Harbors Congress, Washington, December 4, 1912.

There are so many questions growing out of these proposed improvements and the method of paying for them that it is very difficult to draw proper lines of distinction. Rivers and navigable rivers are completely within the control of the national government, and, therefore, where navigation is the sole consideration, there can be no doubt, if the project in the matter of navigation is worth doing at all, that it is the Federal government that must take charge and make itself responsible for the improvement, looking possibly to local contributions. But there are other considerations growing out of the improvement of rivers, and one of the most important of those has presented itself in the last year. That is the question of preventing our rivers from becoming the source of the greatest destruction to life and property. The Mississippi River, of course, is the great source of wealth to the Mississippi Valley, but when it reaches the limits that it reached this last year, its value does not impress itself on those who live anywhere near its waters. The question is how far the Federal government ought to go in the matter, not of improving the navigation of the river, but of protecting the country against invasion at times of flood.

Safety, Not Navigation.

Now, gentlemen, I do not want to say anything invidious, but the hanging of the expenditure of $40,000,000 or $50,000,000, that will be necessary to make that river safe, on the improvement of the navigation that is going to flow from that expenditure of $40,000,000 or $50,000,000 is a pretense. We might just as well face that right away. It is not necessary to spend $40,000,000 or $50,000,000 in order to make that a good waterway, but it is necessary to expend that amount if we are going to make that river so that it shall not be destructive to all that part of the country every few years. You see I am going out of politics, and, therefore, I can tell the truth. What you have to face, gentlemen, is this: Under the welfare clause of the Constitution, that no Democrat ever looked at theoretically with any friendship at all, unless he came from Louisiana, we have to meet the issue, Shall we spend for that great section of the country $40,000,000 or $50,000,000 in order to make the levees of that river a system which shall prevent the destruction which has aroused our deep interest and great pity for those who have been subjected to enormous losses in that part of the country? Under the Constitution we can expend money from the Treasury of the United States for the general welfare, and that would seem to include the avoidance of danger, if it affects so large a part of the country that it may be said to affect the whole country, and if its avoidance involves such large expenditure that we cannot possibly look to the State to meet the requirement.

The reason why we have the right to appropriate $50,000,000 for this purpose is that it is closely connected with the jurisdiction of the national government over navigable streams, and thereby the government is better fitted through its Engineer Corps and other means which it has at hand, to do the work, and because it is of such a character that the whole government must do it and the States along the way cannot do it.

The States Should Contribute.

Now, I would not prevent the States from contributing, as they ought to contribute, to this work, which is going to save them; and what they ought to do is to turn over the work entirely to the government of the United States, and get rid of their local machinery that does not work as well or as economically as Federal engineering work. Then I am strongly in favor of expending the whole $50,000,000 which will be required to put in levees to save that part of the country from floods in a reasonably short time, and put it into the law that it is to provide a proper levee system to protect the States. Don't say it is for navigation, because where you are going to put your great levees the river in many cases is 100 feet deep, and if you put in your levees more substantially, you may lower that three feet, but the difference between 103 and 100 feet of water in the matter of navigation furnishes an excuse for an argument that can only be properly used in the heat and height of a political controversy.

Now, my friends, this opinion of mine is the result of a consideration of this subject when I was Secretary of War and since. I believe we have to come to this, and we might as well face it. The Lord arranged the topography of this country, and he did not arrange it according to the views of any appropriation committee. The jurisdiction between the States and the United States is of that peculiar character that we must expect a difference in the expenditure of national appropriations in one part of the country from another part of the country. The history of the Mississippi River has established, it seems to me, its treatment to be considered a national question, and if I were responsible, as I am not going to be, I would not hesitate to face the problem of the Mississippi River by saying not that we want a twenty-four-foot waterway when we haven't the commerce for it, not that we are going ahead in any way to persuade people on the theory that it is navigation that takes us there, but on the ground that we have as the real object the saving of a large section of the country, so large that it requires national assistance; and I would make it an absolute condition that the whole improvement from one end to the other should be completely under the control of the army engineers and the War Department, and that then contributions from each State should be measured in some just way and that the government foot the difference, which under any consideration will be large enough.

The January number of The Nation's Business will cover the progress of 1912 in all the important phases of the nation's business. Send for it. Single copies, 10 cents.

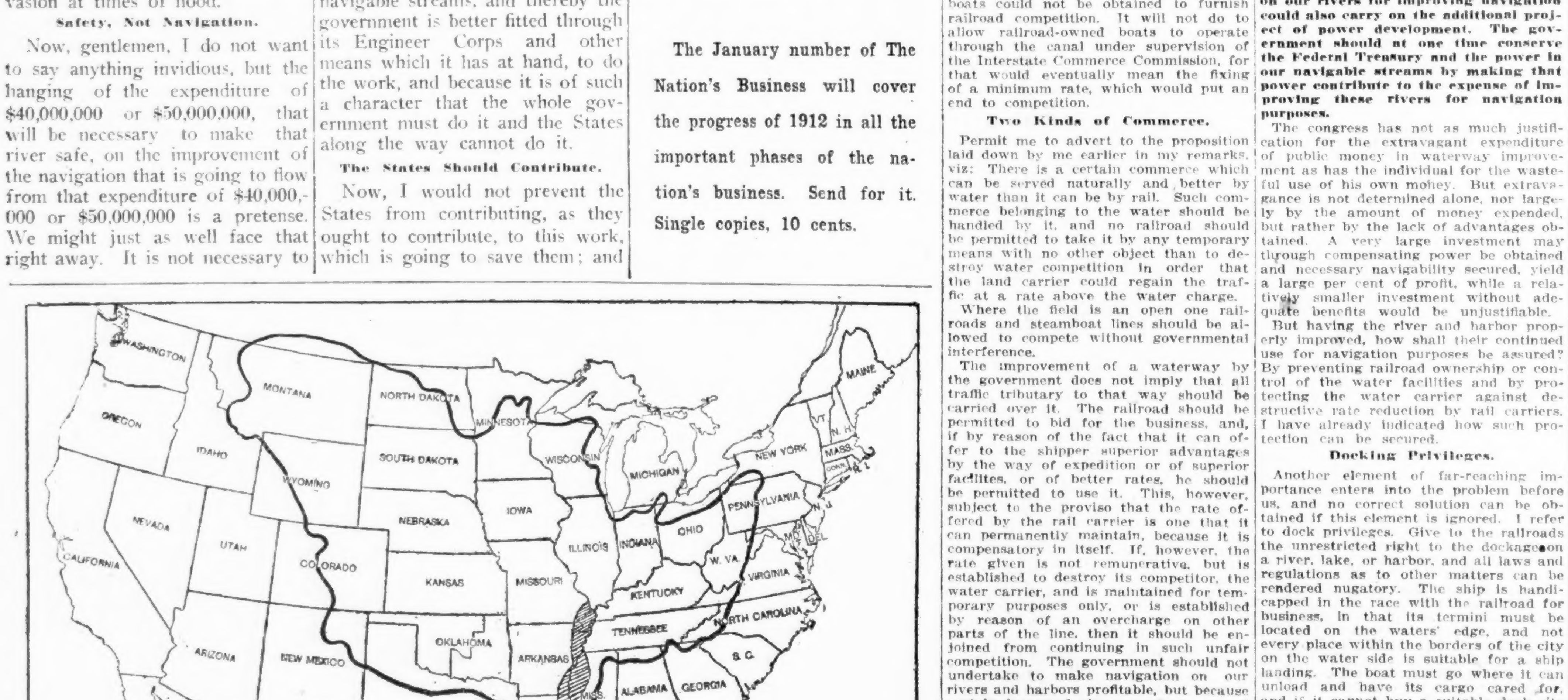

Diagram showing Mississippi River Basin (heavy line), and the area endangered by floods (shaded).

The facts disclosed by the above map corroborates the statement made by President Taft regarding the Mississippi River as a national problem. The flood waters of parts or the whole of thirty States out of forty-eight are each spring precipitated into the valley of the lower river, extending from Illinois to the Gulf. Notwithstanding the fact that 1,238,200 square miles of territory are affected by this condition, the burden of caring for the prevention of these enormous floods rests upon the residents of the proportionately small area of 29,000 miles in the six States of Missouri, Arkansas, Louisiana, Kentucky, Tennessee, and Mississippi.

The people of this small area have in the past supplied nearly sixty million dollars toward building these levees, while the national government has contributed about twenty-seven million. The region affected embraces a strip of country about 700 miles long and from 40 to 60 miles wide. The area involved may be more readily understood when it is taken into consideration that it is as large as the State of South Carolina, or as large as the combined area of New Hampshire, Vermont, New Jersey, and Connecticut, or as the combined area of Massachusetts, New Jersey, and Maryland. It equals twice the area of Switzerland, twice the area of Denmark, nearly three times the area of the Netherlands, and one-seventh of that of Germany or of France. This area is too valuable to be abandoned, and its inhabitants cannot bear the great burden imposed upon them. Levees are the only practical, solution of the problem according to the ablest engineers, and fifty million dollars expended as rapidly as possible will complete them.

Transportation by Water And How to Retain It

Analysis of Mutual Problems of Waterway and Railway By Senator Townsend of Michigan.

In the brief time I shall occupy to-day I hope I shall not leave the impression that I am prejudiced against railroads or that I am a special pleader for the steamboat, for I am neither. I am convinced that the railroads and the rivers and harbors each are legitimate highways of commerce which serve, or should serve the needs of business in a better and more satisfactory manner than the others. For instance it needs no demonstration to convince you that much of the port-to-port commerce could not be served well, if at all by the railroads, and it is equally clear that most of the rail business could not be conducted by boats. There is a class of business, and it is immense, which can be carried by either rail or water, and it is in this field that are found some of the most serious problems which the government is called upon to solve.

It is the business of the government to see to it that its common carriers by rail or water or by both furnish adequate transportation at reasonable rates. It is such transportation so furnished that the needs of industry require, and the government can have no legitimate interest in the success of one class of carriers over another class. If the railroads can naturally and reasonably occupy a territory to the detriment of a boat line, because the former can furnish quicker and better, and therefore, all things considered, cheaper transportation, the river and harbor enthusiast ought not to prevail if he insist that the rail carrier shall be either handicapped or barred in its race for business.

I have voted to extend and enlarge the powers of the Interstate Commerce Commission; I have voted for appropriations to improve our rivers, lakes, and harbors, because I have known, as all have known, that railroads must be regulated and waterways improved if that all important factor of business, viz: transportation be adequately furnished at just and reasonable rates.

Theory and Policy Opposed.

Our governmental theory and our governmental policy for the operation and regulation of common carriers are quite out of harmony. The former commends competition as the means of securing what we need in the way of facilities and charges, and to this end it urges separate ownership and control of competing lines of road, and approves the proposition of so improving our rivers as to furnish a highway for boats to operate in a strife with rail carriers for business. The latter, however, imposes conditions for railroad operations, many of which are financially burdensome, and which tend to prevent competition and legislative discussion, and enactments are headed for the idea of a minimum rate below which the carrier cannot go. This will mean, of course, the practical end of competition so far as rates are concerned. For a time we will undoubtedly continue a mixed system of competition and government rate making, but unless we devise and put into practice a more efficient system of regulated competition we will go to the system of regulated monopoly or to government ownership.

I am not yet convinced that competition cannot be made effectual to meet the needs of our advancing business and progressive civilization. We spend nearly half a billion dollars to construct a Panama Canal not alone as an aid to our national defense, but as an aid to our commerce. We hope it will furnish competition to our transcontinental railroads, and thus cheapen freight rates and improve shipping facilities. We spend millions of money annually in improving our rivers and harbors with the hope and belief that boats will ply their waters in competition with land carriers.

Now, to me, it is evident that the canal as a competitor with railroads will be destroyed if these railroads are allowed to dominate it. I would permit no boat owned or operated by a competing railroad company to use the canal until sufficient time had demonstrated that an adequate number of independent boats could not be obtained to furnish railroad competition. It will not do to allow railroad-owned boats to operate through the canal under supervision of the Interstate Commerce Commission, for that would eventually mean the fixing of a minimum rate, which would put an end to competition.

Two Kinds of Commerce.

Permit me to advert to the proposition laid down by me earlier in my remarks, viz: There is a certain commerce which can be served naturally and better by water than it can be by rail. Such commerce belonging to the water should be handled by it, and no railroad should be permitted to take it by any temporary means with no other object than to destroy water competition in order that the land carrier could regain the traffic at a rate above the water charge.

Where the field is an open one railroads and steamboat lines should be allowed to compete without governmental interference.

The improvement of a waterway by the government does not imply that all traffic tributary to that way should be carried over it. The railroad should be permitted to bid for the business, and, if by reason of the fact that it can offer to the shipper superior advantages by the way of expedition or of superior facilites, or of better rates, he should be permitted to use it. This, however, subject to the proviso that the rate offered by the rail carrier is one that it can permanently maintain, because it is compensatory in itself. If, however, the rate given is not remunerative, but is established to destroy its competitor, the water carrier, and is maintained for temporary purposes only, or is established by reason of an overcharge on other parts of the line, then it should be enjoined from continuing in such unfair competition. The government should not undertake to make navigation on our rivers and harbors profitable, but because certain improved rivers are not covered with commerce does not prove that the improvement was a mistake, and that the money expended was wasted. The object of improvement, as I have said, is to secure better and cheaper transportation, and whether satisfactory service is produced by railroads or by steamboats is of no concern to the government. Now potential competition on the rivers and harbors has about the same effect as actual competition, and a Mississippi River with depth sufficient to float an ocean liner would have the same result upon rail rates to and from the Mississippi Valley points whether boats sailed it or not.

Compensatory Rates Important.

Something, however, must needs be done to insure the people against railroad destruction by improper methods of the benefits of water improvement. I am satisfied that railroads are maintaining rates into and out of certain territory, tributary to water competition, actual or potential, which are not compensatory, and which are continued because of an excessive charge imposed upon other shippers on other parts of the line. This method is a gross discrimination between sections of the country. I would not, however, fix a minimum rate for the road to charge, further than to say that it must be compensatory, or at least that when other rates on other parts of the railroad are challenged for being too high, the commission should not consider the low rates to water competing points in determinng whether the rate complained of is too high. In other words, the high noncompetitive rate should not be allowed to compensate in any degree for the loss sustained through the water competing rate.

Another thing to me is plain. Railroad companies should be prohibited by law, under most severe penalties for its violation, from establishing a rate for the clear purpose of destroying water competition, and when a company puts in a rail rate, which results in driving off the water carrier, it should be presumptive evidence of the intent of the company to violate such law, if it afterwards raises its rates or imposes conditions equivalent to a raise in rates.

Those rivers, lakes and harbors of our country, which can and ought to be used as highways of sufficient commerce to justify the expenditure of money, should be improved by the government. Such improvement will do more to secure just and reasonable rates and facilities than any commission or any law, provided the railroads are not permitted to own or strangle them. Any comprehensive waterway improvement scheme, which has in view any but practical and immediately pressing projects, is unwise, and for the good of transportation should be discouraged. The existence of a river or bay does not justify its improvement by the government, neither are the desire and pride of local residents sufficient excuse for a large appropriation. Insufficient transportation facilities for large existing or easily possible and clearly probable traffic is the only justification for the improvement of a waterway at government expense. But when the actual need exists, then not only should the work be done, but the benefits should be secured and held.

Navigation, however, is not the only benefit carried by our rivers. All of our streams contain power which, if properly developed and directed, would yield to the government a financial return upon the money invested in river improvement, and this power development could be secured at the minimum expense in connection with the work of improving navigation. At least, I am convinced that much of the work on our rivers for improving navigation could also carry on the additional project of power development. The government should at one time conserve the Federal Treasury and the power in our navigable streams by making that power contribute to the expense of improving these rivers for navigation purposes.

The congress has not as much justification for the extravagant expenditure of public money in waterway improvement as has the individual for the wasteful use of his own money. But extravagance is not determined alone, nor largely by the amount of money expended, but rather by the lack of advantages obtained. A very large investment may through compensating power be obtained and necessary navigability secured, yield a large per cent of profit, while a relatively smaller investment without adequate benefits would be unjustifiable.

But having the river and harbor properly improved, how shall their continued use for navigation purposes be assured? By preventing railroad ownership or control of the water facilities and by protecting the water carrier against destructive rate reduction by rail carriers. I have already indicated how such protection can be secured.

Docking Privileges.

Another element of far-reaching importance enters into the problem before us, and no correct solution can be obtained if this element is ignored. I refer to dock privileges. Give to the railroads the unrestricted right to the dockage on a river, lake, or harbor, and all laws and regulations as to other matters can be rendered nugatory. The ship is handicapped in the race with the railroad for business, in that its termini must be located on the waters' edge, and not every place within the borders of the city on the water side is suitable for a ship landing. The boat must go where it can unload and have its cargo cared for, and if it cannot buy a suitable dock site it is at the mercy of the wharf owners. It becomes of prime importance, therefore, that, before the government enters upon a scheme of water improvement, it be well assured that dockage rights be not only not monopolized, but that they are under such control as to afford equal opportunities to all who would use them. It is probably true that municipal ownership of all dock sites on navigable waters would be a practical guaranty of equal opportunity, and certain it is that railroad ownership, or ownership by a boat company, would mean the power of ownership in the hands of interests antagonistic to open competitive water transportation. It would mean, in fact, monopoly in the hands of an interest which could, and, therefore, probably would exercise it to discourage the use of the improved waterway.

I have little doubt that the municipality would so control the dockage privileges as to benefit all shipping interests, both rail and water. I would not, however, hesitate to advise the acquisition by the Federal government of at least a material portion of the frontage on all waters improved by it, as the surest guaranty that the money expended by it will not be wasted through a lack or improper use and control of water terminal facilities.

My conclusions are, therefore: That all waterways to which sufficient commerce is tributary to warrant the undertaking should be improved by the government, provided that the improvement would actually afford better and more satisfactory rates and facilities of transportation, and in determining this latter fact, not only the rates charged by the water carrier should be considered, but also the probable effect of the water carrier upon rail rates.

In improving waters for navigation purposes the other possibilities of the waters should be considered as well, and where practicable water power should be developed in connection with river and harbor work.

When the water improvement has been made, possibilites for use should not be lessened or destroyed by railroad-owned boats. Rail and water, except where water is necessary to complete the rail route, should not be under the same control. Railroad companies should have their ownership and operation confined to land, and steamboat companies to the water.

Steamboat lines and railroads should be permitted to compete fairly for business, and each should be unrestricted in its legitimate efforts for traffic; but no railroad company should be permitted to operate that portion of its line which competes with a water line at a loss to be met by higher charges on other portions of its lines, if such operation will result in driving off the water carrier, for while such conduct might benefit the commerce tributary to the river quite as much as it would be benefited by an operating boat line, still the commerce tributary to the railroad outside of the rail and water competing zone would have imposed upon it an additional burden, and it is the business of the government to see to it that its common carriers serve the people, and all of them with equal fairness and impartiality.

Railroads, under severe penalties, should be prohibited by law from reducing rates below the remunerative point for the purpose of destroying the water carrier. And if a reduction results in such destruction, that fact should be presumptive of the carrier's intent to unlawfully destroy the water carrier in case the railroad attempts afterward to raise its rates.

All dock sites and privileges should be open on equal terms to all carriers, and probably municipal ownership of such sites would be a satisfactory safeguarl against monopoly or wharfage opportunities, either by railroad or a steamboat company; but I confess to greater faith in the Federal-controlled docks on Federal-improved waters, and, therefore, I should not object to the government owning and controlling a substantial portion of such docks.

Such, gentlemen, are my conclusions on the subject assigned me. I have expressed them crudely and imperfectly, but I feel deeply that while water transportation is of the highest value to the welfare and progress of our people, yet I am also convinced that the government is wasting the Public Treasury, if, after improving our waterways, it fails to secure a benefit in the form of better and more satisfactory transportation.

(Delivered before the National Rivers and Harbors Congress, December 4, 1912.)

Relation of Terminals To Use of Waterways

President Ransdell in Annual Address Before Rivers and Harbors Congress Defines Next Step.

"Business methods were pursued on the Panama; unbusinesslike methods on the Ohio. It has been under improvement now for more than thirty-six years. Improvement began in 1876, going on for thirty-six years, nothing like half completed, estimated that it will take ten or twelve years more, and cost less than $100,000,000; and yet we undertook the Panama Canal but a few years ago, and we are going to celebrate its opening next year.

Let me ask you big business men that I see before me, what would you do if your business manager should handle your affairs in such a way as that? You would certainly discharge him if you did not put him in an insane asylum, would you not? Yet that is the way we have gone on in this country with our waterway improvements.

Our organization as you know stands for a policy—a broad, comprehensive, far-reaching policy of waterway improvement; such a policy, as I understand the Canadians have adopted, such a policy, as I understand some at least of the South American republics have adopted; such a policy as it is well known the great German nation, the great French nation, the Hollanders, and the Belgians have adopted. We want that policy to be broad, far-reaching, comprehensive, business-like, looking to the improvement along expeditious, business-like lines of every worthy, deserving water course in the land. (Applause). That, my friends, is the sole purpose of this organization; that is its pole-star. Let me in passing express the hope that that pole-star will ever guide us, that we will never follow after any other false gods, but stick to the purposes for which we were created. If we do that, we are going to win in the future as in the past.

Have we accomplished all we set out to do? No, not by a great deal. Our rivers are not being used to-day any more than they were seven years ago; many of the great rivers of this country to-day may be traversed for mile after mile without seeing the smoke of a single steamer. That is not right. We must use the waterways after they are improved. (Applause). We must do that in some way. Our organization must see to it that they are used. Go to nearly any of our cities outside of some ocean port, or some port on the Great Lakes, and you will not find suitable terminals for transferring freight from boat to railroad, and vica versa. (Applause).

The terminal situation here in this country is bad; we have no terminals on a great many of our waterways. The terminal situation is in my own judgment one of the most important questions to which this organization should direct its efforts. (Applause). We need terminals, my friends, not only on the rivers, but we need them badly in some of the greatest ports in this country. (Applause). We need them, so the papers inform us, in the mighty metropolis of this nation, even the great city of New York.

Do we intend, my friends, to spend the $50,000,000 a year for which this organization stands, and not have the harbors when improved open to every comer by land and by water? (Applause).

Every railroad that proposes to enter a city should have access to the water front on equal terms with every other railroad; and every water carrier going to that city should have access to every railroad entering the city on equal terms with every other water carrier going to that city. We are not going to attain the purposes for which we were created until such a state of affairs be brought about everywhere.

Much advance has been made in the past seven years in laws looking to the reasonable protection of waterways from unfair competition; much remains to be done. Section 11 of the Panama Canal act went to very great lengths. It is thought that to a great extent it will protect the waterways from unfair competition, and permit them to be used free, fair, open to all men, at all times, and on equal terms. (Applause.) I hope so. But we must watch that clause very carefully; we must not relax our vigilance. It is most important to insure that when tre rivers are improved they cannot be monopolized, either by another water carrier or by any rival railroad concern. The great engineer, Col. Goethals, the man whose name is on every lip now as the engineer of that most wonderful engineering feat of all the ages, the Panama Canal, is quoted as saying that, during his experience on the Western rivers, three times he saw a river improved; three times he saw commerce built up on that river; three times he saw boat lines grow up and commerce increase by leaps and bounds; and three times he saw rival railroads buy out the boat lines and drive them out of business. My friends, this thing must not be permitted any longer. It is unwise to expend fifty millions a year of the people's money unless the people are going to get the benefit of such an expenditure after it is made. (Applause).

Now I want it distinctly understood in making all these remarks that I am a friend of the railways, always have been, always expect to be; this great continent of ours could not have developed like it has developed without the railways. The greater portion of the Union could not have improved by long odds without the railways. I want to see the railways protected in everything that is right and proper. I regard them as the most remarkable developers of civilization that the world has ever known. We cannot get along without them; but, ladies and gentlemen, we had the waterways for thousands of years before we had the railways. There is business enough for the railways and also for the waterways. Let the railways and the waterways, together with the highways, co-operate in a friendly trinity and all work together for the great good of the whole people, and all of them will prosper. (Applause.) Let us try to bring about that state of affairs

INLAND WATERWAYS.

Continued from Page One.

ments, in anticipaton of growth. With us the typical commercial city is located either directly on the seaboard or some natural inland waterway. Europe has built her seaports inland and connected them with the sea by dredging and excavation. If we based our appeal for the development of our inland waterways only on the necessity of effecting a better freight service through the interior of our country, the issue would even then be unmistakable. But this is only the lesser of the two considerations involved, for we are rapidly assuming a more important place in the larger field of foreign trade. We must have outlets to the ocean from our principal industrial centers; we must have lateral canals connecting our principal waterways; and we must open up as much as possible of our continental territory to our own merchant marine and to the ships of other countries as well.

Gov. Deneen of Illinois, who was to read a paper, was prevented from being present. The discussion on waterways, subsequent to the paper of Gov. Foss, was very active and led to a clash of opinion as to whether the action of the Federal government in reclaiming the arid lands of the West would not also justify expecting the government to reclaim the overflow lands of the South. The discussion brought out the fact that when swamp and overflow lands were ceded by the Federal government to the respective States in 1851 and onward, it was with the understanding that the proceeds of the sales of such lands were to be applied to their reclamation by the construction of dykes and drains.

Gov. Gilchrist of Florida pointed out that Iowa gave its land to the counties; Alabama gave its lands to a hospital; Mills County, Iowa, in turn ceded its lands to a railroad; in other words, disposition had been made of the swamp lands without paying close attention to the subject of reclamation.

Gov. Carey of Wyoming showed that the government was engaged in developing its own lands and that the only money used in the West was money coming from the public lands of the West.

Gov. Donaghey of Arkansas asserted that the government should exercise its authority not to hinder, but to help, and he pointed out the waste of resources in the Mississippi Valley through uncontrolled waters.

Gov. Eberhart of Minnesota, in reply to a statement of Gov. Donaghey that Arkansas was unable to reclaim its swamp lands, stated that in Minnesota they had found no difficulty in draining lands lying in the State limits, but that such a big question as Lakes-to-the-Gulf correction must necessarily be a government matter.

Gov. Brown of Georgia favored a blended policy of the government relative to both arid and wet lands, and showed, with Georgia as an illustration, that the reclamation of its 2,7[illegible]000 acres of swamp land would bring increased taxable property into sight.

Gov. Hawley of Idaho went at length into the different principles involved in reclaiming the arid lands of the West. He admitted, however, that many of the irrigation projects in the West have conferred benefits upon private lands. Gov. Brown retorted that the government thus put its lands into competition with its own citizens. Gov. Hawley denied this in toto and went into the details of law affecting swamp lands.

Gov. Tener of Pennsylvania described in some detail the proposed canal from Pittsburg to the Lakes.

Gov. Hadley of Missouri questioned whether the primary responsibility for waterway improvement rested upon the States. He asserted that the Federal government had not done its duty in keeping water off the States that were liable to be flooded.

Gov. Shafroth of Colorado argued that reclamation was in no sense a gift to the citizens, but a loan.

BUSINESS AIDS SUPPLIED BY WORK OF ONE BUREAU

Activities of Bureau of Foreign and Domestic Commerce and Its Needs for Greater Efficiency Clearly Defined.

(By A. H. Baldwin, Chief of the Bureau.)

Much of the story of the current work of a government bureau is one of accustomed and daily recurring routine. The usual grist of letters—in this bureau reaching a total of hundreds daily—the many pages of manuscript edited and marked for the printer, the files maintained, the supplies requisitioned and distributed, the pay rolls prepared, and the mailing lists corrected—such is the work that must go on, year in and year out, as a background for the service of an organization like the Bureau of Foreign and Domestic Commerce.

The public knows little of this portion of its activities, as the letters from the bureau and the finished product of bulletins and reports are naturally all that come before the eye. Employes come and go, promotions—and some times demotions, too—are made, active official relations with other bureaus of the government service, and with the central administrative branch of the department, are maintained, but these operations ordinarily do not openly come to the attention of the people who receive the publications of an office engaged in the "promotion and development of the commerce of the United States."

Competent Assistance.

The question of service calculated to accomplish such a purpose effectively in a Federal bureau as in a business office depends to a considerable degree on the successful solution of the daily problems connected with this essentially administrative work. The judicious selection of competent employes of all classes, editorial clerks, statistical experts, heads of divisions, field agents, and even routine stenographers and typewriters, is a constant factor which has its close relation to the finished product or output of an office. A deterioration in personnel in any branch is finally sure to be plainly recorded somewhere in this output of published reports. Since the almost universal establishment of the merit system in the government departments, one former malign influence for lowering the standard of efficiency of employes—that is, political preference in appointments—has almost disappeared, although there is still enough of that spirit remaining to embarrass the administrative officers at times.

These matters are mentioned here merely to indicate that much of the attention of the officers of the departments is given to service that leaves no open record and can make no special appeal to the interest of the public which is served.

Over 6,000,000 Pieces.

During the past calendar year, in the effort to fulfill efficiently its function of promoting the commerce of the country "by distributing useful information" the Bureau of Foreign and Domestic Commerce has sent forth to the commercial public over 6,200,000 copies of its various publications. Since the consolidation of the bureaus of statistics and manufactures the periodical publications of the new Bureau of Commerce have included the Daily Consular and Trade Reports, with an edition of 0,000 copies, the Monthly Summary of Commerce and Finance, the monthly bulletin of Sailing Dates, the quarterly bulletins of Foreign Tariff Notes, and of imports for consumption, and the annual volumes of "Commerce and Navigation of the United States," the statistical abstract, and "Commercial Relations of the United States." In addition to these periodical publications, confidential circulars, mostly based on information received from consuls and commercial agents, have been sent out to the number of over 100,000 copies to carefully selected lists of manufacturers and exporters, and about 75,000 letters, containing special information on all sorts of commercial subjects, have been mailed.

Letters of Opportunity.

Facts in regard to trade opportunities in foreign countries and in the United States—a total of 40,000 copies—have been asked for by the correspondents of the bureau, and these requests have been complied with except in a few instances where the inquirer was apparently the agent of a foreign business concern. Bi-weekly circulars to the press, mostly on statistical subjects, have been distributed to the number of 0,000 copies. Furthermore, thousands of exporters have been advised by letter in regard to the details of tariff charges on their products in foreign countries, and innumerable other commercial matters about which the bureau has in its files a vast store of information.

Moreover during the year there have been translated and published the foreign tariffs of Cuba and Japan and supplements to several of the customs tariffs already issued. The translators of the bureau as it is now organized are required to deal constantly with ten or twelve foreign languages and the official and trade journals of foreign countries over the whole world are read daily for information on tariff and other commercial subjects.

In the investigations which were required for the preparation of all this volume of printed material on commercial subjects the bureau has been aided by the service of over 300 consular officers of the Department of State, by 12 or 15 commercial agents of the Department of Commerce and Labor, by 250 employes of the statistical branches of the Department of the Treasury, and by an office force in Washington of about 100 employes. A printing fund of approximately $135,000 has been expended during the last fiscal year.

Practical Compilations.

Consular officers have responded with great efficiency to numerous requests made by the Department of Commerce and Labor during the year for special information on commercial subjects, these inquiries covering a wide range. Compilations of consular reports on the foreign markets for musical instruments, paints and varnishes, for canned goods, for automobiles, salt, and other products have been issued. Furthermore, an admirable series of reports on the handling of credits in foreign countries is about to be issued, for which much of the material was supplied by consuls.

In the preparation of the bulletin on "Foreign Credits," just referred to, a special circular of inquiry was transmitted to consular officers and reports were received from all parts of the world. These consular reports were supplemented through the investigations of a commercial agent of the Bureau of Foreign and Domestic Commerce, who made careful studies at first-hand of the methods of handling foreign credits in England, France, and Germany. If the resulting monograph of 300 pages, which is now available, does not have a valuable promotive effect on the development of our foreign trade, the judgment of the officers of the bureau in planning for this service will have been seriously at fault.

Other branches of trade development work, which it is believed have been promotive and constructive in accordance with the purposes of the bureau as stated in the law, have been the investigations which have been made by Ralph M. Odell during the year in regard to the cotton textile trade with Spain, Italy, Russia, the Balkans, and Turkey. The violent political changes which are taking place in these latter countries make the story of trade opportunities in that part of the world very significant to American cotton manufacturers. The report by Arthur J. Butman on the trade in boots and shoes and other leather products in England and Germany have also contributed to the promotive service of the office.

Organization Efficiency.

Another bit of work in a new field which has been accomplished in 1912 is a published record of the work of the service of about 100 of the leading commercial associations of the United States. This is the result of investigations by Mr. E. A. Brand, now the assistant chief of the bureau. For the first time, a detailed survey of the activities of chambers of commerce, boards of trade, manufacturers' associations, commercial clubs, and similar organizations has been made, and the record placed at the service of trade interests, in a bulletin of the bureau, entitled "Commercial Organizations." Much interest in this subject has been shown and the demand for this bulletin has been already much in excess of the edition of 2,000 copies, authorized by law for the Bureau of Commerce.

In the export field the bureau has also made studies in Australia and the Orient of the opportunities for the extension of the trade in machinery and tools and has published a number of bulletins and confidential reports by Durand C. Alexander, jr. More recently other special investigations have been begun by the office, although the results have not yet been placed at the service of commercial interests. An investigation of particular interests to commercial organizations is being made of the methods of foreign trade associations in developing commerce. A field agent has been dispatched to South America to study the trade in drugs and proprietary medicines, canned goods, and to note the details of tariff information which may supplement a special investigation of this subject which was made in the early part of the year by the chief of the Division of Foreign Tariffs of the bureau. Another commercial agent is now studyng the lumber trade in European countries. Freight charges, port charges, and similar details connected with transportation, particularly in relation to trade with South America, are also being recorded to be printed later in a bulletin for the service of American exporters, and this work has special significance in connection with the early completion of the Panama Canal.

Needed Appropriations.

Certain labors are being carried forward currently in the hope that at a later date opportunity will be given to publish the result of these labors. Such is the work which has been done during the last twelve months in collecting and listing the names of the commercial organizations of the country, with a record of their functions, committees, dues, income, special interest, or territory served, and similar facts. Whenever the funds are made available to the office there will be printed an authoritative "Directory of Trade Organizations"—an annual volume—with all these facts shown by convenient symbols. Business men want such a directory and the bureau is in an advantageous position through its close relations with commercial associations to procure and publish these facts at convenient intervals. The Adamson Bill (H. R. No. 25880), authorizing the issuance of this directory, is still pending in Congress, and it is possible that it may receive favorable consideraton during the present winter. Another similar task held in abeyance for lack of funds and sufficient clerical assistance, is the preparation of a new edition of the World Trade Directory, a volume containing a list of the names of probable foreign buyers of American products. The volume which was issued in 1911 was distributed to many thousands of firms, but a revised edition will soon be needed and will be issued whenever found practicable. Separate directories for each foreign country or for groups of countries may be compiled, however, as being more convenient and practical to the users.

Maj. Carson's Bulletin.

An important bulletin, by the late Maj. John M. Carson, on "Packing and Shipping of Cotton," was also recently issued. This monograph invites attention to the faulty methods of handling this great staple, which causes an economic loss of at least $50,000,000 a year in the United States.

The adoption of better systems is earnestly urged by the author, and pertinent suggestions are made for accomplishing this result.

A commercial monograph on "New Zealand" and another on "Cuba as a Buyer and Seller," issued during the year, form a part of a series of special reports which will be issued by the bureau as opportunity is given for their preparation. These monographs practically constitute brief current trade histories of the various countries of the world for the use of exporters. Similar monographs on "India" and on "Alaska, Porto Rico, Hawaii, and the Philippines," are now in preparation. Further, a brief bulletin on the trade significance of the Panama Canal will probably be issued at an early date.

The Bureau and the Chamber.

Undoubtedly one of the most valuable and significant of the promotive services of the bureau in 1912 was its action in planning the details of the "National Commercial Conference" of April last, which resulted in the establishment of the Chamber of Commerce of the United States of America. The information which had been collected by the Bureau of Manufactures in regard to local commercial organizations in the country made it possible to secure the attendance of a representative group of delegates at that meeting and contributed materially to the success of the conference.

The statistical publications of the bureau present an interesting problem in administration, a problem full of the difficulties characteristic of work in a government office. The number of customs ports, the great volume of our foreign trade, the intricacy of the tariff laws, and the multiplicity of the articles comprising the imports and exports of the country, make the task of classifying the figures for the public, with the limited facilities available for the work, one that taxes to the utmost the skill of those charged with this duty. The failure of Congress to provide the appropriation for the work of preparing the figures of the "Internal Commerce of the United States" has rendered it necessary to omit these useful tables from the Monthly Summary of Commerce and Finance since the issue of June, 1912, and this act has brought forth many expressions of regret from commercial interests.

Useful Investigations.

Recently an effort has been made, by an actual study in the field, to discover the practical commercial use made by business firms of the statistical publications of the office and many pertinent facts have been disclosed by this investigation. The form of our export and import reports is, to a large extent, imposed by law, but it is evident that the co-operation of the actual importer and exporter, through suggestions as to these tables, would aid the office materially in making these figures of specific promotive value.

The methods by which the figures of EXPORTS are reported to the government are admittedly unsatisfactory and commercial opinion itself must be aroused and must aid to secure the passage of the legislation which is essential to the establishment of more exact records of these exports. At present, there is not sufficient authority assigned by law to the government statistical offices to compel the filing of exact statements in regard to export shipments, and until this authority is granted by Congress our statistics of exports will fall short of the standard of completeness and accuracy which ought to be maintained.

Further, the import classifications, although now as complete as may be made with the facilities available, could undoubtedly be expanded to advantage. The cost, however, of elaborating the work of the statistical branch of the bureau would be very considerable, as it would involve considerable additions to the personnel of the Division of Statistics and also to the statistical branches of the Department of the Treasury.

A Closing Word.

Many opportunities for still more effective promotive service are now open to the Bureau, and would receive attention if its facilites were not already fully taxed by the existing demands upon its service. There are at this date in the files more than 1,000 applications for the daily consular and applications for the daily consular and trade reports from commercial firms and exporters. These requests it is not possible to comply with now as the full edition of 20,000 copies is already being distributed. There are also many unfilled applications for the Monthly Summary of Commerce and Finance, and for other useful publications of the office.

The unwisdom of expending so much money and effort to collect great quantities of useful commercial information without providing for the adequate distribution of the resulting product of bulletins and reports is obvious. There is no doubt that this condition will be adjusted as soon as it is fully realized by the trade interests of the country.

JOHN A. FOX.

John A. Fox has just been elected secretary-manager of the Interstate Levee Association of the Mississippi Valley. Mr. Fox is well known throughout the United States because of his magnificent field work for the National Rivers and Harbors Congress. He has just recently resigned his connection with the Panama-California Exposition to take up the work of informing the nation regarding the floods of the Mississippi Valley and their prevention. The Interstate Levee Association, of which Mr. O. N. Killough is president, embraces all of that area known as the alluvial region of the Mississippi. It is about 1,000 miles in length and 50 miles in width and consists of parts of six States. Mr. Fox's headquarters will be in Memphis, Tenn.

MORE AUTHORITY IS GIVEN RAILWAY COMMISSIONERS

"Trend of Modern Thought," Says Chairman Prouty, of Interstate Body.

COURT RULINGS ARE CITED

Co-operation Between State and National Officials Urged at Convention.

The twenty-fourth annual convention of the National Association of Railway Commissioners was held at Washington, D. C., on November 19, 20, 21 and 22. President Charles F. Staples, of the Minnesota Railroad and Warehouse Commission, presided, and at the opening session an address of welcome was made by Chairman C. A. Prouty, of the Interstate Commerce Commission, in part as follows:

"It is significant that the trend of modern thought is to add to the authority of railroad commissions. The Supreme Court of the United States in the last year has handed down decisions which firmly establish the principle that the orders of the Interstate Commerce Commission made in the exercise or its administrative judgment, cannot be disturbed by any court; and the same doctrine will finally apply, if it does not already apply, to the State commissions; for that doctrine is embedded in the profound fact that you cannot revise the action of an administrative body by judicial methods and judicial process.

* * *

"The Interstate Commerce Commission and all the activities of the Interstate Commerce Commission are based upon that clause of the Constitution. It seems to me that it must finally come to pass in some way or other by additional legislation or by judicial interpretation that the Interstate Commerce Commision, the Federal Commission, must have power to prevent any manipulation of freight rates which will give to the citizens of one State a commercial advantage over the citizens of another State. To that extent the authority of the Federal Commission must finally be supreme.

"Upon the other hand, there are many matters which should properly be left entirely to the State Commissions. Those matters concern principally, perhaps, the building, the maintenance, the operation of the railroads. Between these two extremes lie the great mass of our activities, yours as State Commissions, ours as a Federal Commission.

As to these activities, each commission is entirely independent, and at the same time it is for the public interest that our activities should be harmonized. It is greatly in the public interest that this structure of rate regulation, that the rates and the practices under which the transportation by rail of this country is conducted, whether State or interstate, should be one harmonious and homogeneous whole.

President Staples, in his opening address, said the national association could do much to assist in uniformity of action among the State commissions, and suggested a plan of having all the States join in maintaining at Washington a common agent to represent the various commissions in all matters affecting interstate questions. He also suggested the appointment of a committee consisting of two statisticians in the employ of commissions, two railway accounting officers to be approved by the Association of American Railway Accounting Officers and a fifth man to be recommended by the other four not connected with a railway, to determine a fair basis for dividing operating earnings by State lines and for separating terminal from carrying expenses.

Must Establish Minimum Rates.

O. P. Gothlin, of the Ohio Public Service Commission, said that the general average of railway rates in the United States can hardly be justly criticised and that the important function of regulative bodies with regard to freight rates would appear to be that of equalizing, rather than reducing rates. "There will never be adequate and effective regulation," he said, "until regulative bodies are vested with power to establish minimum as well as maximum rates, and actually exercise that power." He objected that rates are not made upon a scientific basis and argued at some length that the cost of service is the essential factor to be considered.

Only by penal laws vigorously enforced can trespassers be kept off railroad rights of way, stated the report presented by William F. Rhea, of the Virginia Commission, for the Committee on Grade Crossings and Trespassing on Railroads.

The report declares it a "manifest injustice" to require railroads to bear the complete cost of eliminating grade crossings.

C. H. Hughes, of the Ohio Commission, presented the report of the Committee on Railway Capitalization, including a resolution that there should be secured by appropriate legislation full publicity in the issuance of railway securities and in addition "a reasonable measure of restraint and control thereof by public authority." Interstate Commerce Commissioner Clements discussed the report at length, urging the need of some form of security regulation, which will not, however, stop the necessary development of our transportation systems. If it can come through State control, well and good, but if not there will be need for the exercise of Federal control, and he doubted if there would ever be adequate regulation by all of the forty-eight States. The resolution, with various substitutes, was tabled.

Reciprocal Demurrage Problem.

J. R. Wingfield, of the Virginia Commission, presented the report of the Committee on Car Service, Demurrage and Reciprocal Demurrage, which he said had been prepared for the purpose of trying to secure action by the American Railway Association that will lead to the furnishing of cars promptly when called for. The report contained a recommendation that the several states should establish reciprocal demurrage rules, reasonable as to penalties, and with a provision for relief from the penalties on reasonable grounds. It also urged an increase in the per diem rate of $1 per day. John H. Marble, secretary of the Interstate Commerce Commission, said that the commission, in co-operation with the carriers, in concentrating its efforts on bringing about the prompt return of equipment to the owning roads, which will not solve the question, but will serve to show who is responsible for the delays and delinquencies. He expressed the opinion that there are enough cars in the country to supply the needs of the country, and that the delinquency is in the matter of proper terminals and operation.

The report of the Committee on Amendment of the Act to Regulate Commerce by C. C. McChord, of the Interstate Commerce Commission, contained but one recommendation, that the act shall be amended so as to give shippers three years from the time of the cause of action in which to present claims for the recovery of damages to the commission. The recommendation was adopted.

James E. Sague, of the New York second district commission, presented the report of the Committee on Rails and Equipment, an exhaustive review of the statistics on rail failures as developed by investigations of the Interstate Commerce Commission, the American Railway Association, the American Railway Engineering Association, and various State commissions, and of the various discussions before the technical societies and in the technical press. The conclusions of the committee are:

(a) That present conditions do not require the inspection by the government of rails and equipment, or legislation concerning specifications or inspection.

(b) The most effective governmental method of securing continued improvement in the rail situation is the careful and thorough investigation of all important accidents which may be caused by rail breakage. In this connection it is desirable that each State commission should keep informed as thoroughly as may be practicable regarding the rail failures upon the lines under its supervision.

(c) The government tests of rails and ingots which were begun a few years ago should be continued and special study should be given to rail steel made by the basic open-hearth process.

Officers were elected as follows: President, O. P. Gothlin, of Ohio; first vice president, Laurence B. Finn, of Kentucky; second vice president, Clifford Thorne, of Iowa; secretary, W. H. Connolly, chief clerk of the Interstate Commerce Commission; assistant secretary, William Kilpatrick, secretary of the Illinois commission.

The next meeting of the association will be held in Washington on October 28, 1913.

IMPORTATION OF LUXURIES INTO THE UNITED STATES.

Importation of luxuries into the United States is now running at the rate of $1,000,000 a day. Of course, the term "luxuries" is an elastic one, and its applicability determined, to some extent, by the viewpoint from which used; but it is at least a fact that during the month of October, 1912, the imports included $14,000,000 worth of art works; $5,000,000 worth of tobacco, cigars, and other smokers' materials; $4,000,000 worth of diamonds and other precious stones; $4,000,000 worth of laces and embroideries; over $1,000,000 worth of feathers, natural and artificial; more than $1,000,000 worth of decorated china; over $1,000,000 worth of toys; nearly $1,000,000 worth of champagne, cordials, liqueurs, and other articles of this class; nearly $1,000,000 worth of cabinet woods, of which mahogany formed the principal part, and sundry other articles usually considered as luxuries, bringing the total imports of this class of materials for the month of October up to $32,000,000.

DEEP LAND DIVING.

"The most hazardous occupation known to man," says a recent bulletin issued by the Bureau of Mines, "is that of life-saver in the bureau." Continuing, the bulletin's statements are substantially as follows:

It is popularly supposed that deep-sea diving has the highest mortality rate among all the dangerous callings, but it is not to be compared with rescue work. In the first year of this service two out of the twenty-four experienced miners employed by the bureau in this desperate work have given their lives while attempting to save others. Seven others have fallen unconscious in the poisonous vapors of the mines and have been rescued only after the most heroic efforts.

The mortality rate among Bureaus of Mines rescuers is on this basis 80 in 1,000 men. With such a fearful record before them, it might be thought that miners would hesitate about engaging in such a business, but this is not the case. Miners are as brave a body of men as can be found in any industry, and those who have been trained in rescue work by the Bureau of Mines and have sought employment as life-savers are imbued with the spirit that they are engaged in a great work, which promises to materially reduce the death rate in American mines.

That the life-savers have made a good beginning is shown in the records of the Bureau of Mines. In the period of one year forty entombed miners have been rescued directly through the efforts of the bureau's men and perhaps as many more by individual miners who were trained in rescue work by the Bureau of Mines. Best of all, the Federal rescuers have stopped the death roll among volunteer life-savers at disasters. In the past it is said that a rescuer has given up his life for every man saved. Forty volunteer rescuers were killed at Hanna, Wyo., two years ago, trying to save fourteen entombed men. At the Cherry mine fire in Illinois twelve volunteers who went into the mines were brought up on the cage lifeless. Since the Bureau of Mines took up this great work but one volunteer rescuer in the last eight or ten disasters has lost his life.

DOMESTIC SUGAR TO SUFFICE U. S.

Financial Writer Quotes Prophecy that Country Will Produce Its Own Supply.

"Holland," the well-known financial writer of New York, in discussing the prospect of tariff legislation by Congress at the special session expected to be held after the incoming of the next administration, makes the following statement in relation to sugar:

The best estimate is that somewhat in excess of 16,000,000 tons of sugar are needed to meet the world's demand for sweetened food. It is a modern demand, since until comparatively recent historic times about the only produce relied upon for sweet food was honey and to some extent the crystallized juice of the grape.

Statistics recently received from Germany show that about one-half of the sugar now yearly used in the world represents the saccharine qualities of the sugar beet. And yet beet sugar is almost entirely a modern industry.

The statistics prepared by the Bureau of Statistics at Washington report that of the 16,000,000 tons of sugar yearly consumed by the world, the United States eats and drinks a little over 3,000,000 tons. With the cheapening of the cost of white sugar, granulated or lump, the use of sugar has greatly increased, and it is an increase somewhat larger, relatively than the increase of population.

How greatly the cultivation of the sugar beet has advanced in the United States is shown by the Washington statistics which report that about 600,000 tons of beet sugar are now yearly consumed by the United States. This humble vegetable is now yielding a larger amount of sugar than are the cane fields of the Gulf States. Extensive as has been the cultivation of cane sugar in Louisiana and Texas, nevertheless American sugar, from American-grown cane, amounted last year to less than beet sugar, or about 400,000 tons. With the vast development of the very rich but hitherto intractable swamp lands of Louisiana, the conquest of which is one of the most notable of the industries now in progress in the South, the amount of cane sugar produced in the United States should be greatly increased. It is the presumption of those who are informed that the increase in the production of sugar beets in the Western States, and the enlarged areas devoted to cane sugar cultivation will, within the next twenty-five or thirty years, make the United States entirely independent so far as sugar production is concerned.

Must Import Million Tons.

To-day about 1,000,000 tons of sugar are imported tax free from our sugar-growing territories. Therefore, the United States must import about 1,000,000 tons of sugar in order to meet the annual demand. Almost all of the importation will come, and is now coming, from Cuba, Java, and Germany.

It is regarded here as a purley economic question, which is involved in the proposition to admit sugar free of duty. For it is not conceivable that the retail price of high-grade sugar can be materially reduced. It is now amazingly small. Testimony has been furnished showing that the profit gained by the refiners upon each pound is only a fraction of a cent. And the aggregate profits are due wholly to the enormous sale of sugar in the United States. Congress will, in its wisdom, decide whether it is expedient to remove the duty from a product which yields in duties about $50,000,000 a year, and whether, if it does that, the effect will be seriously to cripple the sugar beet and cane sugar agricultural industries. These are questions which will be very thoroughly discussed in the Senate, and the discussion will not be bounded by party lines.

Government's First Sheet In World Map Completed

The first sheet of the United States portion of the international map of the world has just been issued by the United States Geographical Survey and includes Rhode Island and portions of New York, Connecticut, Massachusetts, New Hampshire, Maine, and Nova Scotia.

This world map, recently undertaken by agreement among the leading nations, is being prepared on the scale of 1 to 1,000,000—that is, 1 linear inch on the map represents 1,000,000 inches, or nearly 16 miles, on the earth's surface. The map is to consist of about 1,500 sheets covering all the land areas of the world, each sheet representing 4 degrees of latitude and 6 degrees of longitude.

It has been the dream of geographers for many years to have an international map scientifically constructed on a uniform scale, and the work is now well under way. The maps at present available, printed on all sorts of scales, in geographies and atlases, where the most important areas are allotted the greatest space, inevitably lead to misconceptions as to the relative size of the different countries.

With an international map on a uniform scale the study of comparative geography will become far more fascinating and instructive.

Printed in Six Colors.

The sheet just issued, which is numbered "North K 19" and known as the Boston sheet, is printed in six colors and shows all the principal cities and towns, railroads, main wagon roads, and other works of man, and the rivers, lakes, and other water features.

The sheets for the completed millionth map of the world would if combined cover an era about 150 feet by 75 feet or a globe 40 feet in diameter; the United States portion would be about 16 feet in width, a very large wall map. The Boston sheet is 24 by 25 inches and this will be the size of most of the United States sheets. The maps of areas at the far north covering 6 degrees of longitude will of course be much narrower than those of areas covering 6 degrees at the equator.

At the present rate of progress the United States portion of the international map should be finished within eight or ten years. It will be by far the best map of the country in existence.

There is, in fact, no very accurate map of the United States as a whole, although the Geological Survey publishes a base map about 7 feet in width and the General Land Office has issued a similar map. Most of the commercial maps, though pretty to look upon, are full of gross errors. For a superficial study of the country the ordinary maps may serve the purpose, but when one finds a town 5 or 6 miles out of position with reference to a railroad or some other town he realizes that the present-day geography or atlas map is anything but accurate.

The Geological Survey has topographically maped in great detail more than one-third of the United States, but these maps are mostly on a scale of 1 mile or 2 miles to the inch and are too large for ordinary comparative purposes. The Boston sheet of the millionth-scale map is a very accurate map and is a beautiful product of the engraver's and lithographer's art, printed on fine enameled paper. This sheet is sold by the Geological Survey at the bare cost of production, namely, 40 cents, which will be the price of the other sheets as issued. Thus the entire map of the United States will cost $20.80.

As a preliminary to the issuance of the completed color sections of the United States portion of the world's map the Survey is printing, in black and white, State maps on the scale of 1 to 500,000, being thus four times as large as the world's map of the same area. Already such maps have been finished and printed for Vermont, Illinois, Indiana, Iowa, Minnesota, Mississippi, and Georgia, and a dozen others are in process of publication. These are sold by the Survey at varying prices according to the size of the maps. For instance, the Vermont map is sold at 10 cents and the Minnesota map at 40 cents. The colored Boston sheet (North K 19) of the world's map or any of the State maps mentioned can be procured from the Director of the United States Geological Survey, Washington, D. C.

"MADE IN AMERICA."

A recent private letter from Tripoli-in-Barbary states:

"I have discovered that there are several stores selling a shoe made in Naples, having the words "Brooklyn Shoe Company" stamped on the straps. These shoes are sold as American shoes for 22 to 26 francs, and in reply to my question as to whether they were American was assured at first that they were, but afterward one of the merchants told me they were manufactured by the above named firm of Naples.

This shoe is a very good imitation of our shoes and its sale will certainly injure our trade. I would not be surprised if about all of this species of fraudulent practice originated in the manufacturing district of Naples, where the shoe industry is extensively carried on with American machinery."

FIRMLY FOUNDED, YEAR-OLD LEAGUE ACHIEVES RESULTS

Minneapolis Civic and Commerce Association Aids City Development.

INFLUENCE IS GENERAL

In one year of service the Minneapolis Civic and Commerce Association, organized December 9, 1911, has exercised a remarkable activity for the advancement of its community. In practically every phase of development in which organized effort can be effectively employed, the association has made its influence felt. It has co-operated with the city council in much of its work.

The association was formed after an extended study of similar organizations already existent, and later the strength of the new body was increased through a consolidation with the Publicity Club, Public Affairs Committee of the Commercial Club and the Minneapolis Traffic Association, and the membership committee secured over 2,000 memberships for the association.

In accordance with a policy of securing all the benefit possible from the experience and counsel of other organizations, the association has taken membership in bodies having a wider scope, joining the Minnesota Federation of Commercial Clubs as affording it an opportunity for close touch with the State, and the Chamber of Commerce of the United States and the National Municipal League for its participation in national affairs.

The efforts of the association have been essentially along constructive lines in trade extension, in which the association's work seems to have been notably successful. "Trade excursions," affording opportunity for Minneapolis manufacturers and merchants to show their wares throughout the State and even across the Canadian borderline, and exhibitions of Minneapolis-made goods, have attracted attention to the advantages the city offers in commerce and industry and for residence.

The traffic division maintains a constant defense of trade territory. Work of this division in matter of class and commodity rates, classification and service of carriers, express rates and service, mail service, &c., is continuous and invaluable. Defense of inbound rail-lake-rail rates completed, coupled with work in behalf of grain and milling interests, was of large value to the Minneapolis market. This division has disposed of important rate adjustments in North Dakota, Montana, Washington, Oregon, Arizona, New Mexico, Colorado, and parts of Idaho and Wyoming, thus forming foundation for correction of discriminations still existing. Minnesota rate case soon to be decided in United States Supreme Court will enable this division to press for much needed revisions within Minnesota and adjoining territories.

The association has contributed to or underwritten in the amount of approximately $20,000 various Northwestern, State, and local projects of development, public or civic nature, including the Northwestern Land Products Exposition and conservation congress, which advertised through attendance of at least 50,000 people advantages of Minnesota and the Northwest; sane Fourth celebration conducted by Woman's Club making possible celebrations in five different district of the city with extensive programmes, musical and historical pageants and refreshments; the Garden Club of Minneapolis which planted 1,002 vacant lots and 279 home gardens covering altogether 160 acres with a frontage of over eleven miles; Northwest Development League which has produced large results in development and sale of land in Northern Minnesota, more bona fide settlers having gone to the northern counties than during five years previous.

The committee on highways works for better streets and country roads. An enumeration of other committees will fairly indicate the activities of the association:

Publicity department, programme committee in charge of association's luncheons, and other entertainments; smoke abatement committee, paving and bridges, street lighting, fire prevention, manufactures, and retail trade, taxation, public health, child welfare, industrial development, conventions, legislative, streets, and benevolent associations.

The association publishes a bulletin, which outlines the work of the association and thus keeps its members in constant rapport with the organization.

The officers of the association are: Arthur R. Rogers, president; Edward P. Wells, first vice president; Fred R. Salisbury, vice president; James C. Andrews, vice president; Henry Doerr, treasurer; Howard Strong, secretary.

Executive committee—A. R. Rogers, Howard W. Baker, Joseph Chapman, jr., Rev. James Freeman, W. L. Harris, H. M. Hill, S. G. Palmer, George H. Partridge, J. L. Record, F. R. Salisbury, F. B. Snyder, E. P. Wells, F. G. Winston.

CHEMICAL INDUSTRIES IN EUROPE.

Is it necessary to ship American raw phosphate rock all the way to Europe to have it transformed into the superphosphate that is so valuable as a fertilizer? The exports of raw phosphate rock to Belgium in 1910 were valued at $400,000, and the imports of the superphosphates from that country for the same year were valued at about the same amount, according to a statement by Consul Thomas H. Norton, of Chemnitz, Germany, in a monograph on the chemical industries of Belgium, Netherlands, Norway and Sweden, soon to be issued by the Bureau of Foreign and Domestic Commerce. It is Consul Norton's opinion that the superphosphates could be made more cheaply at home. Other striking anomalies in our foreign trade are discussed in the report. Attention is called to the successful manufacture of oxalic acid in Norway in connection with the lumber interests. So far this industry has not been extensively established in this country, although the primary raw material, sawdust, is plentiful. The monograph treats in considerable detail the various phases of the chemical industries and the trade in chemical goods in the four countries mentioned.

THE WORLD'S TRADE.

The world's international commerce will establish a new high record in 1912, present indications being that the total will aggregate $35,000,000,000, against $31,000,000,000 in 1910, $20,000,000,000 in 1900, and $17,500,000,000 in 1890, having thus doubled in twenty-two years. These figures are the result of a compilation from the official publications of about seventy leading countries recently made by the Statistical Division of the Bureau of Foreign and Domestic Commerce.

NEW METHODS OF AGRICULTURE AID NORTHERN FARMS

Federal Department Expert Says Advanced Practices Are Welcomed.

MIDDLE WEST IS NOW EAGER

Leads in Accepting Science's Aid in Readjustment to Present-day Conditions.

(By W. J. Spillman, Agriculturist in charge of Farm Management, Bureau of Plant Industry, Department of Agriculture.)

Hon. James Wilson, Secretary of Agriculture, has been very deeply interested in the farm demonstration work since its earliest inception; in fact, it was due to his sympathetic attitude toward the problems of the farmers and his very practical views concerning methods of attacking these problems that this work had its inception. From the first he has been ably supported in his views by Dr. B. T. Galloway, Chief of the Bureau of Plant Industry, in which this work was developed. The history of the work done by Dr. S. A. Knapp in the cotton States is well known. The interest it aroused was countrywide and demands for similiar work have come from every State in the Union.

In submitting his estimates to Congress last winter, Secretary Wilson included estimates for money with which to make a beginning in the extension of the farm demonstration work into the Northern States, and the administration of this work was placed in the office of farm management. In developing the work the aim has been to secure the co-operation of every institution and organization interested in it. In this we have been very successful. The organization includes most of the State agricultural colleges and experiment stations and a large number of local organizations, chambers of commerce, representatives of railroads, banks, and other business institutions. In addition to this a number of semi-national organizations have taken an interest and contributed considerable money.

Problems Vary Widely.

The work to be done in the North differs in several respects from that needed in the South.

In the first place the agricultural problems are similar in most of the cotton States. A single type of farming prevails very generally. The problems relate in the main to securing satisfactory crop yields, the production of home supplies, and the introduction of new farm enterprises that will occupy the farmer's attention when he is not busy with his cotton.

In the North conditions are very different. Hardly any two farms are of exactly the same type. Not only are the types of farming different, but the problems in different sections are frequently widely different. In a few localities it is a problem of building up run-down land. In these sections the most elementary instruction is needed.

In many other sections agriculture is well advanced. In some counties in the corn belt the yield of corn already averages over fifty bushels to the acre. It is from these counties that we have the most urgent calls for the demonstration work, for the farmers there are alive to everything which is in their interest and they have an intelligent comprehension of what can be accomplished by an agricultural expert who understands the problems of the community.

In these more advanced communities the problem is largely one of farm organization; that is, it relates to determining what crops and types of live stock would be most profitable under local conditions and to the development of an organization based on these most profitable enterprises that will give the farmers the largest opportunity to employ profitably their own time and the labor available to them and to keep properly employed their work stock and machinery equipment.

These problems are not easy of solution and require the best efforts of the best trained men.

Co-operation with States.

The general plan of organization of the work in the Northern States is to place in each State a State leader who is employed jointly by the Department of Agriculture and the State Agricultural College and Experiment Station. This State leader directs the demonstration work in the State and reports in duplicate to the two institutions. The general character of the work to be done under his direction is determined by conference between the co-operating parties. Under this State leader county agents are located in counties that make applications for them, the department contributing $100 a month toward the maintenance of the work in the county. It is expected that the local people will raise whatever other funds are needed.

At the present time thirty-eight county agents are at work under this arrangement and thirty-eight other counties have raised the money and are ready to employ county agents as soon as suitable men can be found. One hundred and twenty-five counties have thus far applied for local agents this year. The Secretary of Agriculture has this year asked for a considerable increase in funds to enable us to assist these counties that are clamoring for the work.

One of the most serious problems we have found in developing the work is in the matter of transportation for local agents. As soon as the local agent becomes well acquainted over the county the demands on his time become so great that no ordinary means of travel will permit him to reach all parts of the county as rapidly as the necessities of the case require.

The Council of Grain Exchanges, with headquarters at Chicago, has been of much assistance to us in this connection by furnishing funds which have provided automobiles for a number of the county agents. These have greatly increased their efficiency.

The work in the Northern States has just begun, but important results have already been secured.

One of the most important problems confronting the farmers is that of marketing his produce and the office of farm management is giving attention to this. We hope to be able to teach the farmers means of marketing their produce whereby they will get a better share of the retail price of all their produce.

Old Communities Slow to Change.

Somewhat to our surprise the greatest interest in the farm demonstration work has been shown in the Middle West and in the most prosperous farming communities. Farmers in the older sections are somewhat slow to perceive the advantages that will come from having an expert study their problems and assist them in their solution, but interest is growing, even in the most backward sections, and we hope ultimately to reach every farmer in the country who needs help.

The problems of the farm demonstration work in the North has three phases.

The first is that of gathering the experience of successful farmers and making it common property. The fact has been somewhat overlooked that many of the most important problems confronting the farmer have already been worked out in farm experience. What is needed is well-trained men who can interpret this experience and who understands its application to conditions existing on other farms. The phase of the work which in the beginning occupies more of the time of the local agent than anything else is that of carrying to the farmer a knowledge of the most approved methods of conducting the enterprises which constitute the basis of his farm business, but it is not simply a matter of carrying information to the farmer.

Very frequently in order to take advantage of modern knowledge it becomes necessary for a farmer to make profound changes in his system of farming; especially when introducing a new crop or a new type of live stock the farmer has a great deal to learn. One of the most difficult pieces of work the local agent has to do is to help the farmer adjust these new crops and new live stock enterprises to his system of farming, so that in making the change he will not render useless a lot of his best equipment and will not be compelled to go to a lot of expense.

Readjustment for Present Needs.

The third phase of the work is that of reorganizing and redirecting the agriculture of the community in order to adjust it to present economic conditions. In many instances farm enterprises are found which when they were first introdued were well adapted to existing conditions, but economic conditions have changed, cities have grown, and railroads have been built; not only have the prices of what the farmer has to sell changed, but in many cases the things he must buy are much more expensive than they were formerly.

This is especially true in dairy communities where much of the feed is bought. There must be a readjustment between farm enterprises and existing economic conditions. Not only that, but the individual farms must be reorganized in such a way as to give the farmer full opportunity for the use of his time and his ability, to enable him to dispense with unnecessary work stock and machinery, and to keep this work stock and machinery employed as large a proportion of the year as possible. The solution of problems of this kind cannot be made in a day and they are worthy of the efforts of the best minds in the country.

While it is important that we should increase the yield of crops, we consider it more important, from the standpoint of the farmer, to increase the profits which he secures from the operation of his farm. This can frequently be done by reorganizing the farm without changing the farmer's methods at all; then where we can teach the farmer new methods by which he can get increased yields he has been doubly benefited.

We must not overlook the fact that the welfare of the farming classes is inversely proportional to the number of people employed in agriculture; that is, assuming a given amount of production, the larger the number of people necessary to produce this amount, the smaller the income will be per individual employed. It is, therefore, important that we should teach the farmer how to utilize his time to better advantage, especially in the matter of using more power and of substituting machine labor for hand labor.

We have gone far enough in this work to see that this can be done on a large scale. This not only means increased production by a smaller number of people. This will free a larger proportion of laborers for other industries, while at the same time making food more plentiful and cheaper.

The whole country is thus interested in the results of this work. This is the justification for the plan of organization adopted which involves the nation, the State, and the local people.

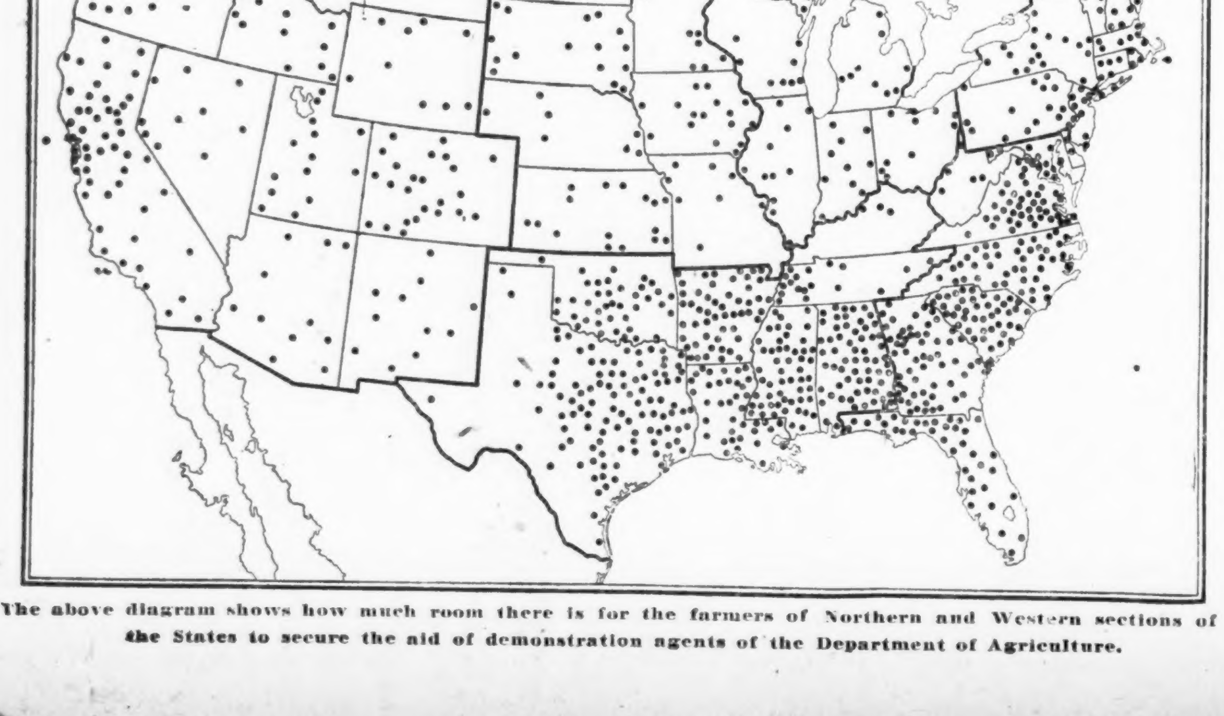
CHART INDICATING DISTRIBUTION OF THE FIELD SERVICE OF THE DEPARTMENT OF AGRICULTURE,
AS OF FEBRUARY 1, 1912.

The above diagram shows how much room there is for the farmers of Northern and Western sections of the States to secure the aid of demonstration agents of the Department of Agriculture.

Road Building News Items from Various States

THE OFFICE OF PUBLIC ROADS.

The Office of Public Roads, in the Department of Agriculture, conducts most enlightened propaganda for good roads, especially before Chambers of Commerce and Boards of Trade. Its staff give illustrated lectures; at conventions it exhibits models of construction for types of roads and bridges so accurately made that any contractor can work from them; and it co-operates with all organizations which indicate readiness to receive assistance in promoting the improvement of roads.

The efforts of this bureau are not merely educational, however, for it has a corps of thirty engineers who, upon request, visit districts, make careful studies, and prepare maps and plans for appropriate systems of good roads. This service is particularly valuable when counties have determined to issue bonds and wish to have expert assistance in deciding what standard of road requirements circumstances make most desirable. The corps of engineers also direct construction of stretches of road suited to local conditions, the local authorities sustaining only the expense for materials and labor. These pieces of model road—model in their adaptation to local conditions and in their utilization of local materials—my be the turning point in the history of a community, exciting interest instead of opposition and apathy, leading to systems of improved roads, and ultimately having great influence in transforming backward districts into modern communities. Statistics which are now being kept, but which will not be complete for several years, are expected to show concretely the industrial, economic, and social significance of improved roads.

The Office of Public Roads has issued many publications, which are available for distribution. A recent publication upon the benefits of improved roads (Farmers' Bul., 505) is an argument which should be given wide circulation wherever landowners oppose plans for better roads.

ARIZONA ORGANIZATIONS WORK FOR COMPLETION OF NATIONAL ROADWAY

The Arizona Good Roads Association is working on a general plan for the improvement of road conditions in all Arizona. This body co-operates with all development bodies and with the State in the planning and method of road construction and has stimulated the citizenship to take a deep concern in road legislation.

It is through the activity of the commercial bodies in Arizona that the Tri-State conference was held in Phoenix a year ago which resulted in the furthering of the work of the National Ocean-to-Ocean Highway Association and stimulating interest in a national roadway throughout the country. The task of properly outlining roads, placing of signs, securing of assistance from the Governor through the employment of convict labor in road building are all matters that have had the attention and assistance of good roads associations and their co-workers, the commercial organizations.

Already has Arizona laid the line of its part of the national highway and is making every effort to have the same in perfect order in time for the adoption of same by Federal authorities. Miles and miles through wonderful scenery have been built and are now being traveled by the enthusiastic autoist, and still more miles have been constructed through fertile valleys and fields.

HARRY WELCH,
Secretary, Phoenix Chamber of Commerce.

ARKANSAS COUNTIES GET INCREASED COMMERCE THROUGH BETTER ROADS

Little Rock is a marvel of development in permanent street and road building. In addition to recently paving many miles of streets with wooden blocks, asphalt, &c., contracts will soon be let and new districts formed preliminary to the paving of 298 additional blocks. All bridge work in the city and county now being built or under contract is of concrete. This includes the massive viaduct adjoining the State Capitol grounds, to cost upward of $100,000.

Two interurban lines which are being organized will include bridges across the Arkansas River, one at Pine Bluff and the other at Little Rock.

The building of the turnpikes in Pulaski County, it is conservatively estimated, has increased the commerce of Little Rock upward of $1,000,000 annually.

There are in Pulaski County 510 miles of road and of this mileage 130 miles are turnpike and seventy gravel. The work of road building continues the year round. The fund for road building is derived from both city and county.

The general plan in this State is for State highways across the State from north to south and east to west and running through Little Rock. This county has completed its part of the following roads:

Little Rock, south to Dallas, fourteen and one-half miles.

Little Rick, east to Memphis, fourteen miles.

Little Rock, north to St. Louis, twenty miles.

To the southeast connecting Little Rock and Pine Bluff and thence opening up connection with the roads in Southeast Arkansas and Louisiana, pikes are being built on both sides of the Arkansas River.

This county in road building, in addition to free labor, use the county convicts as well as the State convicts, from the county. It also has a road engineer, county superintendent, overseers, all the modern machinery necessary, and owns several rock-crushing plants. There is an abundance of good road material in the western half of the county, and in addition to this the largest privately owned rock-crushing plant in the United States with a daily output of forty cars is located here.

Sebastian County, in the western part of the State, has built about 100 miles of turnpike and is easily the second county in the State in road work. Jefferson County and Lonoke County have each twenty-five miles of macadam pike.

The Arkansas Good Roads and Drainage Association will hold its annual convention in Little Rock early in January and are for submission to the Legislature a law for remodeling the entire road law of the State.

GEORGE R. BROWN,
Secretary of the Little Rock Board of Trade.

DELAWARE'S COUNTY SYSTEM OF PROVIDING FOR BETTER HIGHWAYS

The first modern good roads law in Delaware was enacted in 1903 and created the Deleware State Highway Commission which consisted of three members, one from each county. This commission was in existence two years. The General Assembly in 1905 repealed the law under which it acted and passed another law creating the office of New Castle County State Highway Commissioner, which law is still in effect, being the law under which the greater part of the improved roads in this county have been built.

The office of Kent County State Highway Commissioner was created by a law enacted in 1909, the same law authorizing the Levy Court of Kent County to issue bonds for building improved roads to the amount of $100,000. The Highway Commissioner was appointed but no bonds were issued by the Levy Court and no improved roads have been built under that law.

In 1907 the General Assembly authorized the issuing of bonds by New Castle County for the sum of $300,000; in 1909 for $300,000, and in 1911 for $200,000; making in all $800,000 that was authorized to be borrowed under these issues; together with $10,000 per year paid by the State and money raised by the regular tax levy of this county. With this money, over $1,000,000, New Castle County has built since 1903 about 130 miles of improved roads. The assessed valuation of the county is about $61,000,000. Our roads, generally are in good condition, but have not been maintained as well as they should have been.

As to the causes creating the sentiment for the building of improved roads in this state, I would say that the bicycle users, clubs, and associations were the original causes. The agitation has later been taken up by the automobile and motor vehicle owners and associations and the citizens of the county in general. The first law, that of 1903, creating the State Highway Commission, required the commission to hold public meetings for the promotion of the good roads idea, and they were held at various times and evidently had their influence in spreading the desire for good roads among the people.

FRANCIS A. PRICE,
New Castle County State Highway Commissioner.

KENTUCKY COMPLETING CONSTRUCTION OF TWO MAIN STATE HIGHWAYS

There are now being perfected two main highways in the State, one known as the Lincoln-Jackson Way, running from Louisville south to the Tennessee line, which is the main automobile road leading from Louisville to Nashville and south; the other known as the Jefferson Davis Highway, running from Paducah southeast to connect with the Lincoln-Jackson highway. These roads are being built by the counties through which they run, and the road sentiment in that section of the State is very strong.

Our law does not furnish State aid for highways. Hence, we are not able to take a direct hand in the construction of these roads. However, the department furnishes engineering assistance for both roads and bridges, and at present we have two forces at work, one in the eastern and one in the western part of the State, holding road meetings and creating a sentiment for the betterment of the highways of the State at large.

On October 4 and 5 there was held a good roads meeting at Mammoth Cave, Ky., which was largely attended by the citizens of that district and did good work toward creating good road sentiment for the surrounding country. This was a Tri-State meeting, which perfected an organization known as the Lakes to Gulf Association. Mr. Pendleton Beckley, of Louisville, Ky., was chosen president.

This department is endeavoring to create a sentiment also in favor of the constitutional amendment passed by the last Legislature, which will be submitted to the vote of the people for ratification in November, 1913. This amendment will permit the working of convicts upon public highways and will materially aid in securing better roads throughout the State.

ROBERT C. TERRELL,
Commissioner of Public Roads.

MARYLAND IS COMPLETING IMPORTANT LINK JOINING STATES NORTH AND SOUTH

On October 3 Gov. Goldsborough made an elaborate statement regarding the work of the State Roads Commission of Maryland. Two extracts are of national interest—the first, because it forms a link in the Quebec-Miami Highway; the second, because the science of adaptation should be considered in all States.

Washington Boulevard.

Unusual efforts have been made to push the work on this important thoroughfare, with the following results:

1. The 5,100 feet from the District line toward Bladensburg will be repaired and resurfaced with macadam.

2. The gap of 2,900 feet through Bladensburg is being laid concrete and a bituminous top.

3. At Paint Branch the bridge is being strengthened, the fill for a length of 2,000 feet is being widened and raised, and will be covered with concrete and a bitumen carpet.

4. The relocation of 4.70 miles from Beltsville to Contee has been pushed unremittingly, and should be opened to travel this winter, one mile at the Contee end being now in use.

5. A contract has just been closed for a Hassam concrete road 18 feet wide for 3,300 feet through the village of Laurel, this being the first road of this kind in the State.

6. Nothing is being done through the village of Elkridge because of legislation requiring the boulevard, when constructed, to be over the present grade and across the extremely dangerous Baltimore and Ohio Railroad crossing at the station. This will probably hold this work up until remedial legislation can be had.

7. The section of 4,500 feet from the bridge over the Patapsco River east to the Baltimore and Ohio Railroad crossing at Halethorpe will be done in October.

8. A contract has been let for 1.50 miles of pitch macadam southerly from the Baltimore and Ohio overhead crossing at Morrell Park.

9. It is hoped that an adjustment of the Pennsylvania and Baltimore and Ohio crossings at Halethrope will soon be made.

Unless the recent unfavorable weather conditions continue, it is anticipated that this boulevard will be completed this autumn from Washington to Baltimore except through the village of Elkridge and about two miles from the Baltimore and Ohio crossing at Halethorpe northerly.

Types of Roads.

The State has nearly 275 miles of road constructed, and has taken over 190 miles of turnpikes, making 465 miles of road in operation, and it is estimated that this will be increased to 800 miles with the money already appropriated.

To satisfy the public demand for the rapid building of our roads at a minimum cost, and at the same time to construct them of such a high type as to withstand the constantly changing and increasing strain of modern motor traffic, presents a problem requiring a high order of judgment, engineering skill, experience, and executive ability.

To meet this situation in part, the type of roads being constructed are being adapted, as far as consistent with a proper system of State highways, to the physical characteristics, the traffic requirements, and the wishes of the people in the several parts of the State.

Thus in Western Maryland operations are largely confined to the resurfacing of the Frederick and national pikes from Baltimore west to the Pennsylvania line, the old roadbeds being utilized for this purpose.

In Southern Maryland sand-clay-gravel roads are being built in a number of places. While these may not be regarded as permanent modern highways, they meet a local demand and give a much larger mileage in sections where traffic is light at present.

On the Eastern Shore, where there is no road building material except oyster shells, which have proven unsuitable for modern roads and which are only used in exceptional cases, choice is practically restricted to stone macadam roads, with a probable future development to concrete.

In Central Maryland and near Baltimore water-bound macadam, bituminous macadam, concrete, and vitrified brick are being utilized, according to the varying conditions and the more intense traffic.

MAINE SPENDS $2,009,471 ON STATE ROADS BETWEEN 1901 AND 1911, INCLUSIVE

From 1901 to 1911, inclusive, the towns and the State have jointly expended on the State roads approximately two million nine thousand four hundred and seventy-one dollars ($2,009,471). Besides this there has been expended on trunk lines one hundred and four thousand eight hundred and fifty nine dollars and sixty-nine cents ($104,859.69). It is very probable that this year the towns and the State will expend close to three hundred and eighty thousand dollars ($380,000), but this is only an estimate. This year we also have contracts under way amounting to one hundred and sixty-four thousand eight hundred and eighty dollars and thirty-seven cents ($164,880.37), about twelve miles.

This year we have a tax on automobiles and apportionments have been made from this fund amounting to ninety-seven thousand seven hundred and one dollars and fifty cents ($97,701.50). The towns and cities to which apportionments from the automobile fund have been made have raised approximately seventy-six thousand five hundred dollars ($76,500) in addition to the amounts raised for the regular State road work.

PARKER L. HARDISON,
Highway Commissioner.

NEVADA COMPLETING EXCELLENT ROADS FOR AUTOMOBILE TOURISTS

There are two transcontinental routes for automobiles lying through Ely from the east, one being to San Francisco via Eureka, Austin, and Reno, the other to Los Angeles via Tonopah, Goldfield, and Big Pine, California. The route between here and Salt Lake City is south of Great Salt Lake; two years ago, the automobile travel was north of Salt Lake, diverging at Cobre for Los Angeles and continuing into Elko, thence to Eureka for San Francisco. The writer claims the credit for having changed the entire routing to the present line.

This naturally has required a great deal of agitation and has been observed and commented upon by the newspapers all over this State. This publicity has lead to the interest in better roads, and this interest is shown and apparent to all road users in this State.

We expect to continue this work, and have already learned through the polls that the people appreciate the work and are in sympathy with it. As a result, this year we have a boulevard from the eastern State line at Deep Creek to Ely and nearly as good a road via Tonopah to the western State line near Casis, Cal.

We also have a very good road as far west as Alpine, and except for a short stretch in Esmeralda County close to the line, which is a little sandy, the same statement might be made of the entire road in this State.

The road from Ely to Tonopah was signboarded this year, and we expect the boards will be continued clear to Los Angeles early next spring. We are now erecting signboards from Ely to Eureka, we have them from Eureka to Austin, and they will be certainly continued during the coming spring clear to the State line. Before sixty days, we will also have the route signboarded to the eastern State line. Only three or four boards are now missing to complete the link.

G. S. HOAG,
Secretary of the Ely Commercial League and State Automobile Association.

NEW MEXICO'S SCENIC HIGHWAY WILL ADD TO TRANSCONTINENTAL TRAVEL

The most important constructive event of State-wide importance during the month of September in my estimation was the completion of paving and ornamental lighting of the principal streets of Albuquerque, the metropolis of New Mexico, and the sixty-foot boulevard that is being built along the Rio Grande to Alameda, eight miles north of this city.

This boulevard will be lighted with ornamental electric lights, such as are used in the business district of the city, and will connect with the already famous automobile road to the capital at Santa Fe and on to Las Vegas and then into Colorado. This scenic highway throughout the Southwestern Rocky Mountain region has already become one of the most popular motoring roads in the country, crossing tremendous mountain ranges and vast plains in the most picturesque portion of America. This part of the road has been built principally by convict labor. North of Albuquerque a feat of road engineering has been accomplished where the highway, by a series of switchbacks, scales La Bajada Hill, a thousand-foot lava cliff, over which a six-horse stage was dashed in an Indian raid in the days of the old Santa Fe trail, which had an important stage station here.

New Mexico is making rapid progress in good roads building. A State good roads convention met in Albuquerque the second week in October and hundreds of delegates came in automobiles to the convention from all parts of the State and every city and county in the State was represented.

T. J. NAYLON,
Secretary, Commercial Club of Albuquerque.

TEXAS BOND ISSUES HAVE BEEN FREQUENT IN YEAR JUST ENDED

During the current year 40 road bond elections have been held and 26 carried while 14 were defeated in Texas. The total amount of road bonds voted is $2,371,200. The following is a list of bond elections carried:

County.	Amount.
Bastrop	$ 100,000
Bastrop	80,000
Bee	15,000
Calhoun	100,000
Cass	35,000
Colorado	100,000
Ellis	75,000
Ellis	100,000
Fort Bend	175,000
Fort Bend	30,000
Fort Bend	150,000
Henderson	35,000
Johnsen	75,000
Kerr	20,000
Lamar	140,000
Lamar	100,000
Live Oak	1,200
Refugio	25,000
Robertson	150,000
Robertson	150,000
Robertson	100,000
Robertson	100,000
Tom Green	70,500
Wharton	300,500
Williamson	25,000
Wood	120,000
Total	$2,371,200

Four elections have carried in Robertson, three in Fort Bend, and two each in Bastrop, Lamar, and Ellis Counties since the first of the year.

The road law requiring a two-thirds majority of votes to authorize a bond issue imposes upon the progressive citizens a tremendous campaign of education which frequently exhausts the energies and resources of the public-spirited citizens before they can convince two-thirds of the voters. Fourteen bond elections were won on a majority basis, but lost on a two-thirds requirement. The defeated bond issues total $1,802,000. An effort is being made in all these counties to call another election for road bond issues.

Elections have been defeated in fourteen counties, as follows:

County.	Amount.
Angelina	$ 200,000
Collin	125,000
Collingsworth	100,000
El Paso	150,000
Hardin	50,000
Haskell	75,000
Hunt	400,000
Kaufman	200,000
Lampasas	12,000
Matagorda	100,000
Milam	200,000
Palo Pinto	100,000
Smith	40,000
Van Zandt	50,000
Total	$1,802,000

Petitions for good road bonds have been filed and the date set for election by the commissioner's court in several more counties.

An organized effort is under way to bring about bond elections in the following counties:

Andrews, Bastrop, Bowie, Brazoria, Calhoun, Camp, Comanche, Concho, Denton, Erath, Gonzales, Gregg, Hall, Hamilton, Harris, Harrison, Hemphill, Hill, Jefferson, Jim Wells, Johnson, McLennan, Navarro, Nueces, Pecos, Potter, Runnels, Rusk, Throckmorton, Trinity, Webb, Wichita, and Wilson.

VERMONT'S PROGRESS SHOWN BY INCREASE IN NUMBER OF ORGANIZATIONS

The year 1912 will be notable in the history of the State of Vermont as the year during which a large number of organizations were formed with the aim of local or State development.

The Business Men's Association of the city of Rutland was organized on February 29 with a membership of over one hundred. Though at first it was merely a protective association, it is now being reorganized on the broader lines of a board of trade for the city and the surrounding country. Citizens have formed boards of trade in the following villages: South Royalton, Stowe, Essex Junction, and Saxtons River. The board of trade of the village of Windsor has been reorganized, and in connection with it a building association formed, The Windsor Associates.

"Hartford, Forward" is an organization of the citizens of the town of Hartford "for the town as a whole." A great mass meeting was held at White River Junction on February 22 with President Butterfield of the Massachusetts College of Agriculture and President Benton of the University of Vermont as speakers. The programme of "Hartford, Forward" includes a wide range of varied activities.

Through the leadership of the Brattleboro Board of Trade there was formed on March 9 an association which aims to develop the whole valley of the West River which joins the Connecticut at Brattleboro. The West River Valley Association seeks "to create and supply a demand for summer homes and boarding houses in the most beautiful region in New England." A handsome booklet with pictures of scenery and lists of hotels and boarding houses has been issued. The operations of this association cover the larger part of Windham County, the southeastern county of Vermont.

Another significant movement embraces the whole of Bennington County, the county in the southwestern part of Vermont. The Bennington County Improvement Association was organized on March 14, 1912. Its purposes are to promote road improvement, to secure better marketing facilities, to secure more scientific and profitable agriculture, to obtain new industries and develop water powers, and to help organize local improvement societies in the villages of the county.

A State association, an organization of boards or trade, civic societies, and individual citizens, was formed on February 17. It is called The Greater Vermont Association. Its aim is to work for the general development of Vermont through the co-operation of citizens and local organizations in all parts of the State, and through keeping the State in touch with the forward movement in New England and in the nation as a whole.

JAMES P. TAYLOR,
Secretary Greater Vermont Association.

AVERAGE COST PER MILE OF IMPROVED ROADS IN VARIOUS STATES IN 1909.

State.	Sand-clay.	Gravel.	Macadam.	Bitumnious.
Alabama	$680	$1,483	$2,525	(1) $13,250
Arkansas	....	940	3,250	....
California	412	1,375	5,375	8,575
Colorado	....	1,475	....	....
Connecticut	....	5,412	(2) 8,220	....
Delaware	(3)	(4)	6,850	10,120
Florida (5)	829	3,900	(6) 3,112	....
Georgia	387	1,250	2,275	....
Indiana	....	1,887	2,657	....
Kansas	785	....	4,070	....
Kentucky	....	1,011	2,158	....
Louisiana (7)	654	2,100	....	....
Maine	....	3,687	9,022	(8) 13,681
Maryland (9)	1,775	1,000	8,192	....
Massachusetts	....	....	7,451	(10) 9,714
Michigan	....	1,843	4,346	....
Minnesota	766	946	3,280	....
Mississippi	....	2,058	5,135	....
Missouri	....	1,023	3,388	....
Montana	(11)	(1) 800	....	....
Nebraska	933	....	(1) 6,000	(1) 5,448
New Hampshire	....	2,352	5,016	....
New Jersey	....	4,317	8,746	9,950
New York	....	5,950	9,496	....
North Carolina	506	1,006	4,020	....
Ohio	(12)	1,909	4,580	7,768
Oklahoma	389	....	3,750	....
Oregon	....	1,940	3,491	....
Pennsylvania	....	1,575	9,164	10,000
Rhode Island	....	....	(13)	(14) ....
South Carolina	415	1,133	3,252	....
Tennessee	1,050	1,697	2,727	....
Texas (15)	593	1,708	2,160	(1) 6,000
Utah	718	2,188	5,000	....
Vermont	....	(16) 1,600	....	....
Virginia	607	2,200	4,920	....
Washington	....	2,600	7,600	....
West Virginia	....	....	5,414	(17) ....
Wisconsin	800	1,135	2,978	....
Average	723	2,047	4,989	10,345

(1) For 1 section of road only.
(2) Average cost of telford macadam, $11,323.47; telford gravel, $7,659.71 per mile.
(3) $0.15 per square yard.
(4) $0.25 per square yard.
(5) Average cost of shell roads, $3,186.
(6) Marl and coral, sometimes referred to as cocina.
(7) Average cost of shell roads, $3,000.
(8) Some of these roads are 40 feet in width.
(9) Average cost of shell roads, $2,984 per mile.
(10) Average cost of 3 sand and oil roads, $4,718.66 per mile.
(11) $0.23 per square yard.
(12) Average cost of brick roads, $12,381 per mile.
(13) $0.80 per square yard.
(14) $1.25 per square yard.
(15) Average cost of shell roads, $3,052 per mile.
(16) Telford gravel roads, $2,500 per mile.
(17) Average cost of brick roads, $14,500 per mile.

WISCONSIN'S CAMPAIGN IS ONLY FIVE YEARS OLD BUT SHOWS BIG RESULTS

The growth of the movement for better roads in Wisconsin has been so rapid that legislation has not kept pace with it. In 1907, permanent road construction was practically nothing; in 1913, if the State could pay its full share, it would be fully $2,542,000. There has never been in the United State a movement for better roads so Statewide or so generally popular, and the results so far secured under the State aid road law promises well for the future development of the roads of Wisconsin.

Full reports have been reecived by the Wisconsin Highway Commission of the money voted for State aid road and bridge construction in 1913. There are 1,195 towns in Wisconsin, of which 865 voted for State aid road construction on 1,267 different pieces of road, asking for State aid to the total amount of $757,273. Two hundred and five towns voted for the construction of 337 bridges, a total amount of $107,754, which calls for $53,877 State aid. In all, 883 different towns in 68 counties voted for State aid a total amount of $865,027, calling for the sum of $811,150 in State aid.

These figures show a very large increase, both in number of towns voting and amounts voted, over last year. Last year 511 towns voted a total of $422,200 for roads, and 125 towns voted $55,100 for bridges, in all 532 towns in 65 counties calling for $452,800 State aid in 1912.

The State highway fund for 1913 work is $350,000, to which is added in accordance with law, one-quarter of the net proceeds from the automobile license of $5 per car, amounting to about $28,000. This total sum of $378,000 is $433,150 less than the full amount of State aid requested. Some few counties will get the full State aid requested, as the votes of the towns were light, but about 60 of the counties will get less than they asked for, many of them getting less than one-fifth of the amount requested.

It is hoped that some method will be devised whereby the State may give each town what it expected to receive when it made its appropriation.

H. R. HIRST,
State Highway Engineer, Madison, Wis.

The January number of The Nation's Business will cover the progress of 1912 in all the important phases of the nation's business. Send for it. Single copies, 10 cents.

WIN LONG FIGHT TO TRAIN YOUTH' IN AGRICULTURE

Essex County, Mass., Votes Bonds for Vocational School Long Desired.

ENCOURAGES PEOPLE TO FARM

A realization of the paramount importance of the promotion of agriculture in the United States and the accompanying necessity for training young men in the best means of securing the highest degree of agricultural productivity, was voiced by over 8,000 Essex County (Mass.) voters in assuring the establishment of an independent agricultural school in their county.

The bill had received three vetoes. Gov. Foss agreed to give it his approval if the referendum were inserted, and the response of the people in its favor leaves no doubt as to their recognition of the importance of institutions which will influence young men to adopt farming as a vocation.

Not one of the thirty-four cities and towns failed to give the Essex County bill a two to one vote, and in many instances it rose to five and even seven to one.

It is a splendid indorsement of the Essex County Associated Boards of Trade and of the Salem Board of Trade, which has consistently fought for this bill through four years of persistent endeavor.

On the acceptance of the act, chapter 5?? of 1912, the Governor and council shall appoint four persons as trustees, one for one year, one for two years, one for three years, and one for four years, and thereafter one person annually for the term of four years, residents of Essex County to be known as trustees of the independent agricultural school of the county of Essex. Said trustees are to serve without compensation, but shall be reimbursed for their necessary traveling expenses and subject to the approval of the state board of education, are authorized to expend $75,000 for the purchase of real estate and the erection of buildings.

Will Issue Bonds as Needed.

Chairman Moody Kimball, of the Essex County commission, stated that whenever the voters of the county decided that they wanted this agricultural school the county board would issue bonds for the required $75,000.

Thereafter the trustees shall expend $ ..., to be raised by the county of Essex, for the maintenance of the school each year, and so long as the school is approved by the State board of education the Commonwealth will reimburse the county of Essex to the amount of one-half of that sum by the payment from the State treasury of $12,500 annually.

The school shall be free for the attendance of all residents of Essex County over fourteen and under twenty-five years of age, and for residents of other cities and towns which do not maintain agricultural schools, subject to the approval of the State board of education. The city or town in which the person resides whose application has been approved by the State board shall pay such tuition fee as said board may fix, and one-half shall be reimbursed to such city or town by the Commonwealth. Moneys received from the sale of products of said school are to be turned over to the county of Essex by the trustees.

E. G. SULLIVAN,
Secretary Salem Board of Trade.

INCREASE OF LIVING COST

Increases in the cost of living are interestingly set forth by the St. Louis Lumberman in some percentage tables compiled from a recent bulletin from the Department of Commerce and Labor. The Lumberman states:

"The high cost of living is certified to by the government in a recently issued report bulletin of the Department of Commerce and Labor dealing directly with the movement of retail prices in thirty-nine important industrial cities, situated in thirty-two States, during the twenty-two year period from 1890 to 1912. The investigation and study of prices at these large population centers had to do with fifteen articles of table consumption, representing approximately two-thirds of the expenditure for food by the average workingman's family, and for such articles as are sold in city stores patronized largely by families of American, English, Irish, German, and Scandinavian wage earners. Incidentally, the researches of the department were also extended to bread weights and to prices of coal and gas.

"From the data on food articles submitted at pages 10 and 11 of part 1 of the bulletin we have prepared a table showing the price changes by half-decade periods over the twenty years from 1891 to 1911. Here it is:

PERCENTAGE RISE IN PRICES

	From 1906 To 1911	1901 1911	1896 1911	1891 1911
Sirloin steak	18.1	23.3	36.5	35.3
Round steak	22.7	33.9	51.8	56.7
Rib roast	15.0	23.0	39.4	39.2
Pork chops	25.3	43.1	74.1	72.4
Bacon, smoked	31.0	62.6	104.8	102.9
Ham, smoked	22.0	40.3	61.3	56.7
Lard	11.1	21.5	57.8	45.3
Hens, roasting or stewing	18.4	44.4	57.8	44.7
Wheat flour	18.1	34.8	35.8	13.8
Corn meal	18.2	36.8	58.6	32.0
Eggs, strictly fresh	11.9	39.5	66.3	42.2
Butter, creamery	11.0	27.5	41.0	24.2
Potatoes, Irish	37.0	37.7	99.2	34.1
Sugar, granulated	11.3	8.8	15.5	7.8
Milk, fresh	20.6	30.9	22.6	32.0

"Carrying this statistical statement into the present year we find that in the twelve months from June 15, 1911, to June 15, 1912, every one of the fifteen items therein enumerated made further advances, save smoked bacon alone, in which there was a negligible decline one-tenth of 1 per cent. The per cent of advance for this later year period varied from 2.4 per cent for milk to 18.6 per cent for round steak. Nine of the fifteen articles advanced more than 10 per cent—namely, wheat flour, 10.7 per cent; pork chops, 11.2 per cent; pure lard 11.3 per cent; strictly fresh eggs, 11.8 per cent; corn meal, 12.7 per cent; creamery butter, 14.3 per cent; sirloin steak, 17.1 per cent; rib roast, 17.5 per cent; round steak, 18.6 per cent. Even granulated sugar was 6 per cent higher on June 15, 1912, than at the corresponding date one year before."

LARGER WHEAT EXPORTS.

Will Exceed Hundred Million Bushels, Government Report Says.

Wheat export from the United States in 1912 will materially exceed those of recent years. The record of the ten months now available in the Statistical Division of the Bureau of Foreign and Domestic Commerce indicates that the wheat exports of the full year will exceed 100,000,000 bushels, against 83,000,000 in 1911 and 62,000,000 in 1910. The total for the ten months ended with October is 76,250,000 bushels, against 67,750,000 in the corresponding months of last year. This increase occurred chiefly in the new crop, the September exports having been 17,000,000 bushels, against 10,750,000 in September of last year, and those of October, 20,000,000 bushels, against 8,750,000 in October of last year, the total for the two months of September and October thus being 37,000,000 bushels, against 19,500,000

MODERN PENOLOGY.

Continued from Page One.

Gov. Eberhart of Minnesota urged that every court of appeals should be abolished. The jury system, he thought, was at the root of the evil of frequent miscarriage of justice. Nowadays, he declared, a man could plead guilty to many varieties of insanity and escape the consequences of his crime. Under the present jury system, he added, it was all but impossible to select intelligent men for jury service.

Gov. Blease, subsequent to his statement that lynchers of negro assailants of white women would go unpunished, then made a striking plea for more justice to the negro in penitentiary offenses.

"I walked through the penitentiary of South Carolina," he said, "and found it a tuberculosis incubator, where poor devils were dying at their tasks, making money for other people; poor devils who had no choice but to stand and work or take the lash. Just the other day, Jim Roberts, a negro from Charleston, stopped me as I was walking through and respectfully asked permission to speak to me. He told me that he had been kept in jail for twenty-two years for stealing a $27 watch.

Eleven Years for Stealing $9.

"I said: 'If you are telling me the truth you will eat your Christmas dinner with your family at home.' He said: 'Governor, I have no folks.' Then I replied: 'You will eat it away from here.' And he will. Another negro had served eleven years and seven months for stealing $9; a judge wrote to me that he had sentenced to death a man when he did not believe the man had been convicted beyond a reasonable doubt. Another wrote me that he had sentenced to death a man whom he did not believe should be put to death. He did not believe it at the time, nor does he believe it now.

"These are the errors of justice I am trying to right with my power to pardon. I am proud of my record."

"GENTLEST ART" NEEDED.

American Exporters Must Write Better Letters, Says Mr. Wilson.

Consular Assistant Ripley Wilson, at Almeria, Spain, lights on the American exporters' letters to foreign merchants. He suggests that American exporters and manufacturers carefully study the composing of letters to firms abroad whose names have been furnished by consuls or obtained otherwise. A letter which shows by its wording or preparation that it has been hurriedly prepared or dictated offhand with no great amount of thought is apt to receive little consideration. If the American, however, shows familiarity with the field he is trying to enter, the communication receives merited attention from the foreign merchant.

Take, for example, an American manufacturer desirous of selling vacuum cleaners in a French city. If he can show in his opening letter that he is acquainted with the methods of cleaning in that city, and knows what electricity costs there and how much is needed to operate his machine, if he can say that his cleaner is adapted for use on rugs and carpets of a certain type (which he knows is popular in that locality) and can drop a hint with regard to the dust and soot conditions of that neighborhood, that manufacturer will get much nearer the French firm than he would have had he merely inclosed his catalogue with a descriptive circular. In a letter of this kind the foreign firm will often discover a sales point that it had not thought of, and the source will be remembered.

Mr. Wilson has seen a number of letters addressed by American firms to foreign merchants or importers. Some of these have shown substantial thought, and have been constructed in a way to arrest the attention of the reader. In other words, into these letters has been put some of the firm's own sales organization skill, and, as is seemingly too often the case, and attempt for foreign trade has not been made independent of that branch.

The success of many German firms is due largely to their methodical ways and intimate knowledge of the minor as well as the major details. Large and small dealers alike, especially if they are being approached with an article new to them, welcome thoroughness. A letter transmitting a catalogue, with the statement, "We hope to be favored with a share of your business," is usually cast aside, unless the article is one the foreigner must have.—Marshall Cushing in "How" of October.

Foreigners "Rediscover" America on 13,000 Mile Trip

From the Scientific American.

The Englishwoman who remarked, apropos of our civil war, that it was no wonder the North and South had become disunited in spirit since they "were only connected by a narrow isthmus," may conceivably have been a woman of parts and education according to European standards. American geography hovers on the outskirts of Old World curricula—a thing for the hobby rider or the advanced specialist. This is true in whatever sense we use the elastic term "geography."

We believe, however, that dating from the autumn of 1912 our transatlantic brethren will have no excuse whatever for not knowing as much about our country as they know, for instance, about Turkestan or the Gold Coast. It was an heroic idea on the part of the American Geographical Society, in commemoration of its sixtieth birthday, to corral the most eminent geographers and geographical teachers of the Old World, place them aboard a special train under the strict surveillance of Prof. W. M. Davis (a genius at "personal conducting") and a staff of polite but inflexible assistants, and force them, whether they would or no, to see about ten times as much of this country as the average enlightened American may hope to see in the course of a lifetime. The transcontinental excursion of the American Geographical Society, which began in New York in August and ended in the same city two months later, was in many respects, the most conscientiously executed exploring expedition on record, and is certainly likely to be one of the most momentous in its results. The journey covered about 13,000 miles, including 1,000 miles of automobiling.

The country along the route simply turned itself inside out for the benefit of the forty-three foreign visitors. American hospitality outdid itself. Everything that could conceivably interest the foreigners, and possibly much that could not, was trotted out, exhibited, put through its paces.

The local magnates, from State Governors down, were on hand at the gates of the cities to bid the visitors welcome; banquets and receptions filled all the intervals of sightseeing. The choicest products of every locality visited—fruit, flowers and whatnot—were heaped upon the travelers, loaded aboard their train, even sent to their European addresses to await their return. Quite the most remarkable fact in connection with the trip was that, with one exception, the Europeans proved physically equal to the strenuous round of sightseeing and entertainments. The next most remarkable fact was that representatives of thirteen countries spent two months in one another's company, mostly in close quarters, without the slightest breach of amicable relations.

Except the last lap of the journey, from Washington to New York, the trip was all made on the same train, and only one slight change in the itinerary planned in advance was made necessary by the fact that the party was delayed twenty-four hours at the Roosevelt Dam by an almost unheard of rain of two inches, which made the mountain roads impassable for automobiles. A daily bulletin, containing the announcements and information for the day, was printed on the train. A feature of the equipment was a "Guide Book for the Transcontinental Excursion of 1912," of 144 pages, compiled by Prof. Davis. A well-stocked library was carried along, containing books and maps relating to the region traversed. About a dozen American geographers made the whole journey, and some sixty more accompanied the party in relays, as guides to the expedition. The enterprise was admirably organized from beginning to end.

It is safe to assert that the classrooms and lecture halls of Europe will for some time to come be the distributing centers of accurate, first-hand information about the once terra incognita America.

RESPITE GRANTED TO WATER USERS

Farmers Whose Crops Were Damaged by Hail May Postpone Annual Payment.

While the irrigated West as a whole reports bumper crops, and the condition of the farmers is generally prosperous, hail storms in some sections east of the Rocky Mountains have caused such damage to crops of individuals, that the Secretary of the Interior on November 14 issued a service order giving temporary relief to water users from payment of water right charges.

The order was as follows:

"Water users on reclamation projects whose growing crops are damaged or destroyed by hail and who for this reason are unable to make payment of the building charges under the reclamation act, which would become delinquent at the time of the next installment thereof, became due, may, in the discretion of the Secretary of the Interior, be allowed a postponement of such charges, but no such postponement shall be for more than one year or extend beyond the ten-year annual payment period, the time within which the water right charges are required to be paid. No application will be considered from any water user who is delinquent in the payment of any reclamation charges.

"Application for postponement must be made through the project manager or project engineer, upon the form prepared for the purpose, stating that the water user is unable to pay the building charge so become delinquent and shall give in detail (a) description of applicant's land, length of residence thereon, description of improvements and statement of their value; (b) serial number of the water right application, with the amounts paid on account, respectively; of the building and the operation and maintenance charges for the several years in which installments of such charges were due; (c) the irrigable acreage for which water is available for the current year; (d) the number of acres in cultivation and the crops to which cultivated; (e) statement as to the cause of destruction or damage of crops and date when loss occurred; (f) number of acres and the nature of the crops destroyed or damaged; (g) statement of the conditions of the crops before destroyed or damaged, with estimated total yield if destruction or damage had not occurred; (h) actual yield, if any, and estimated loss in money.

"The project engineer will forward such application with his report and recommendation through the supervising engineer to the director of the United States Reclamation Service.

"The director of the Reclamation Service will make suitable recommendation thereon to the Secretary of the Interior."

New Equity Rules of U. S. Supreme Court.

On November 4 the Supreme Court of the United States promulgated new rules of practice for all courts of equity of the United States, to be effective February 1, 1913, and abrogating existing rules. The new rules were prepared after a consideration of some seventeen months by Chief Justice White and Associate Justices Lurton and VanDevanter, acting as a committee, and constitute the only revision of equity practice in Federal courts since 1842. The committee invited and collated suggestions from the judges of inferior courts, from bar associations throughout the country, and from the Lord High Chancellor of England, with whom Justice Lurton had personal interviews concerning the practical results of the English reforms in procedure.

On December 2, 1912, Representative Clayton, chairman of the House Committee on Judiciary, introduced a bill which authorizes the Supreme Court to prescribe rules for all pleading, practice, and procedure at law in Federal district courts. This is a power which the American Bar Association wishes to see reposed in the Supreme Court, believing that the Supreme Court could keep its rules for all the Federal courts so revised as to make the procedure of Federal courts a model for State courts in expedition and freedom from technicalities. The President, in his message of December 6, 1912, recommended the enactment of such legislation as is proposed in the bill now pending, adding that he did not doubt that if the Supreme Court were given this authority it would unite the procedure at law and in equity into one form of civil action, at the same time giving effect to the substantial differences in right and remedy between the system of common law and the system of equity.

In announcing the new rules, the Chief Justice finished a task he set for himself when, in 1910, he succeeded Chief Justice Fuller; for the new equity rules, together with the rules of the Supreme Court, promulgated December 22, 1911, complete a revision of the practice of Federal courts so far as existing law allows the Supreme Court to proceed, that is, a revision of practice in the lower Federal courts.

The new equity rules are designed to bring parties to issue with as few preliminaries as possible and to eliminate delays upon technicalities and technical forms. By making references to matters exceptional and not the rule, they increase the hearings in open court, a reform which will at once expedite litigation and augment the chance that each piece of evidence will have its just weight; and by reducing to a minimum the record to be sent to the higher court on appeal they will save litigants great expense. Finally they prohibit temporary injunctions without notice to the parties enjoined, allowing temporary restraining orders without notice only "if it shall clearly appear from specific facts, shown by affidavit or by the verified bill, that immediate loss" would otherwise result, and if a temporary restraining order is issued "the matter shall be made returnable at the earliest possible time, and in no event later than ten days from the date of the order, and shall take precedence over all matters except older matters of the same character." All injunctions and restraining orders must be complete in themselves, free from reference to any other document.

The provisions of the new rules concerning injunctions do not require security against possible damage to the parties enjoined, by implication leaving the question of security to the judge, where it now is; nor do they require that the judge granting a restraining order without notice shall indicate in writing his reasons for dispensing with notice.

The importance of rules of procedure laid down by the highest court in a system—such rules as the new equity rules and the rules contemplated by the bill pending in the Judiciary Committee of the House—was emphasized before the American Bar Association at its meeting in August. In an address Frederick M. Judson, of St. Louis declared that a reform of this kind has practically worked a revolution in the judicial procedure of England, and added that in many States local bar associations were endeavoring to inaugurate a similar reform.

HARDWOOD ASSO. UPLIFTING TRADE

Manufacturers' Organization Has Solved Many Problems by Co-operation.

BENEFITS BUYER AND SELLER

By **LEWIS DOSTER**, Secretary.

The Hardwood Manufacturers' Association of the United States was organized early in the year 1902, and its membership at that time confined to a single wood of poplar. After one or two meetings it developed that every poplar producer owned in his timber area, or produced through his saw mills, other woods than poplar, and to further the interests of a broader nature an organization to cover all of the hardwoods was inaugurated.

An ordinary layman will ask, "What is hardwoods?" and "How should they be designated from other woods?" which can be answered as follows:

Any wood is a hardwood that is a deciduous tree, or a tree that sheds its leaves in the fall and a tree with a broad leaf. The term "broad leaf" means the leaf other than the needle leaf, or coniferous tree.

The hardwood term applies to the above conditions, excepting cypress, which stands between these conditions. The following woods are termed hardwoods: Ash, basswood (Lynn), beech, birch, buckeye, butternut, cherry, chestnut, cottonwood, elm (rock and soft), gum (red, tupelo, satin walnut, hazel pine), hickory and pecan, maple (hard and soft), oak (red and white species), poplar, sycamore, and walnut.

These are the woods that grow in such quantities as to be of a commercial consideration, but in some sections magnolia, persimmon, dogwood, and holly are marketed, but have not yet reached prominence, nor are they handled by association rules for grading.

The other woods are subdivided into various divisions, and which are practically coniferous or needle bearing trees, such as the pine, hemlock, cedar, fir, spruce, &c.

Study to Prevent Waste.

One of the first results which became so apparent by organization was to economize in the manufacture. A thorough study, after various meetings, allowed the saw mill men to study economical conditions that showed the enormous waste which had been going on for years without any opportunity of overcoming until an organization of this kind was formed.

It was learned in a short time that the man who devoted time to the study of careful manufacture and improved machinery would eventually save for himself an added return of income and place upon the market lumber that was correctly sawed and graded for the purchaser, and at the same time INCREASE THE OUTPUT PER M FEET PER ACRE. This latter point is one of the most important studies of prolonging the forest life, for when hardwood trees are cut down they represent the life of growth of 100 to 350 years of age.

The uniformity of grades is a large subject, and one very important to the lumber man on account of the fact that every knot, worm hole, split, shake, or other defect that appear in lumber, changes the value of each piece, and the method of publishing a grading rule book covering all of the different hardwoods, with its uniform thickness, dimensions, lengths, and widths could only be brought about by a personal study and consultation with the purchasers and the consumers of this class of woods who produced the finished article, with the result that a grading rule book is now published in detail which could never have been brought about other than by organization work, and so thoroughly understood by both the shipper and purchaser.

Buyer and Seller Brought Closer.

In the developing of the uniformity of grading problems, we naturally brought about a closer relationship between the buyer and the seller and developed other methods of obtaining information to use to both elements for their own mutual advantage. Statistics as to the general conditions of the country, the publishing of market conditions of all kinds, tend to allow all of the elements of the trade to work in such close harmony.

Although the association is called the Hardwood Manufacturers' Association of the United States it contains in its membership the producer, the wholesaler, and the consumer of lumber, and with the broad policies inaugurated for these branches the organization becomes effective in its work and each month develops and promulgates conditions that tend to uplift the industry to a higher level, and to give to the purchasers of the product of the hardwood forests a line of material that scientific study, economical methods and conservative values can produce, and which only can be accomplished through organization work, covering the territory of the consuming markets of the world.

TRAINING BOYS FOR EFFECTIVE LIFE SERVICE

Page Bill Summons Nation to Real Service of Its Children.

WHAT THE PLAN WILL COST

The Senate is expected to vote during the present session on what is known as the Page bill. This bill in its earlier form was known very widely as the Dolliver-Davis bill, and is aimed at the preparation of teachers for the next three years who will be equipped to train children for life duties. This is usually described as vocational education.

At the end of three years these teachers who have been prepared within the various States for their tasks, will then undertake the broader duties assigned to them, and the whole appropriation of the Page bill will be called for. Senator Carroll S. Page of Vermont in his report from the Committee on Agriculture and Forestry of the Senate, relative to the Page bill, made the following explanation:

What the bill appropriates:

First—For the annual expense of administration, commencing with the fiscal year ending June 30, 1913, and annually thereafter	$70,000
Second—For the education of teachers for the fiscal year ending June 30, 1913, and annually thereafter	1,492,000
Third—For extension work, so-called, $500,000 for the fiscal year ending June 30, 1913, increasing this sum by $300,000 annually until 1921, when it reaches the maximum sum (which is thereafter annually appropriated) of	2,900,000
Fourth—For the maintenance of instruction in the trades and industries, home economics, and agriculture in the public schools of secondary grade for the fiscal year ending June 30, 1916, and annually thereafter	5,000,000
Fifth—For the maintenance of instruction in agriculture and home economics in State district agricultural schools for the fiscal year ending June 30, 1916, and annually thereafter	4,000,000
Sixth—For the maintenance of branch field test and breeding stations to be located at the agricultural high schools provided for by this bill for the fiscal year ending June 30, 1916, and annually thereafter	1,000,000
Making the maximum expenditure in 1921 and annually thereafter, provided every State shall avail itself of every appriation made by the bill	14,462,000

This maximum sum involves an annual cost of less than 14 cents per capita of our population.

German Training Better.

It is claimed—and there are probably some grounds for the claim—that Germany is distancing the United States in the race for commercial supremacy. Men who have studied this problem thoroughly are of the opinion that this condition, if it exists, is largely the result of the better educational advantages, along industrial lines, which that nation provides for her boys. Germany gives to her boys, who because of the fact that they must at the age of fourteen and after they have passed from the grammar grades become breadwinners, what is known as continuation courses of study. She examines into the mental and physical condition of these boys, their idiosyncracies and characteristics, and furnishes them the advantages of the continuation courses of study suggested by such examination.

The American people have for a century been deceiving themselves with the idea that they were becoming vastly wealthy, whereas the facts are that the wealth was here a hundred years ago in our own virgin forests, our farm lands of practically inestimable worth, our mines, and our quarries. We have been exploiting that wealth and, so far as our farms are concerned, we have been capitalizing our fertilization, until to-day we have in many sections of our country exhausted the productivity of our soil.

Greater Population Coming.

It is not a question of whether we ought or ought not to teach the rising generation of farmers methods by which this depletion of our soils may be checked. We must do it, or the 150,000,000 people who, under ordinary conditions, will occupy this land 30 years hence must derive their foodstuffs from some other section of the globe.

It is an error to regard the appropriations called for by this bill as an expense. As a matter of fact, they are investments—absolutely necessary investments—from an economic standpoint, to say nothing about that infinitely greater question of duty to the American boy, who is entitled to that equality of opportunity which we do not now give him and which we cannot give him in any other way than by so enlarging his sphere of education that he may enter upon his life work equipped as Germany, Switzerland, Norway, Sweden, and other European countries equip their sons.

Those who read the accompanying symposium will observe that the leading thought of those who are chiefly interested in the $4,000,000 appropriation for agricultural schools is the solution of the great economic problem which confronts us, to wit, that something must be done to change our agricultural conditions, to the end that we may not, within the next ten or twenty years, be importers rather than exporters of foodstuffs.

Labor Forces Favored.

The report as a whole covers seventy-five pages and includes a copy of the bill. This report can be secured by addressing Senator Carroll S. Page or the Committee on Agriculture and Forestry of the Senate. The counterpart of the bill has been introduced in the House by Representative Wilson of Pennsylvania, who brings to its support the organized labor forces of America.

The bill is aimed to begin the correction of defects in our educational system. Nearly 93 per cent of all children enrolled in educational institutions are in the elementary grades and go no higher. About 5 1-3 per cent reach high school; about 1 3-4 per cent reach still higher institutions of learning. Speaking generally, the course of study laid down for the children in the elementary school is one that is intended to fit into the course of the high school and that in turn to the course of the college and thus 93 per cent of the children go through a preparation that produces 1 3-4 per cent of the college students. The bill is, therefore, aimed to benefit those who cannot reach college and who are left in doubt what to do, what vocation to turn to, what contribution to make to the nation when their school days are ended.

WILLIAM GEORGE JORDAN,

Who, in 1907, First Explained the Need of a Governors' Conference Relative to Uniform Legislation.

MODEL BENEFITS FOR BELL EMPLOYES

Telephone and Allied Interests Have Improved Pensions and Insurance.

A fund of $10,000,000 for pensions, sick benefits, and life insurance will be available on January 1 for the 175,000 employes of the Bell telephone system and associated interests, and their families and dependents, amounting altogether to more than a quarter of a million people.

This $10,000,000 fund will be made good from year to year by annual appropriations on the part of the American Telephone and Telegraph Company and associated companies and the Western Union Telegraph Company and the Western Electric Company.

The plan for the distribution of this fund has been characterized as the most liberal, comprehensive and ideal ever inaugurated. President Theodore N. Vail has provided combined benefits for superannuation, sickness, accident, and death for an industrial army more than twice as large as the standing army of the United States.

This provision is made entirely at the expense of the various companies interested, without contributions of any kind from the employes themselves. The application of these varied benefits will be strictly democratic and will be for the benefit of all employes of every rank. The plan will provide for free change of employment from one company to another, with full credit for combined terms of service.

The Bell system and associated interests provide employment for about 175,000 people; of this number 130,000 are employes of the Bell telephone system. The total yearly pay for the whole group is about $115,000,000, something over $80,000,000 being paid out in wages by the Bell telephone system alone.

Male employes who have reached the age of sixty years and who have been twenty years or more in service, may retire on pensions. They may be retired at the option of the company when they have reached the age of fifty-five years and have been twenty-five years in the service. The pension age of female employes is in each case five years younger than that of male employes. Any employe who has been thirty years in service, regardless of age, may be pensioned on the approval of the president of the company.

The amount of the pension is automatically based on the years of service and the amount of pay, and will be 1 per cent of the average annual pay for ten years, multiplied by the number of years of service. Therefore, a man who had been thirty years in service would get 30 per cent of the average salary which he has been receiving during his last ten years of service. No pension will be less than $20 a month.

Provisions for Disabilities.

In the case of accidents occurring in and due to the performance of work for the company, the employe will receive for total disability full pay for thirteen weeks and half pay for the remainder of disability, up to six years.

If the disability is temporary, he will receive full pay for thirteen weeks and half pay until able to earn a livelihood, not exceeding six years.

Employes who are disabled by sickness or accident outside of the regular course of duty after ten years or more in service will receive full pay for thirteen weeks and half pay for thirty-nine weeks; if from five to ten years in service, full pay for thirteen weeks and half pay for thirteen weeks; if from two to five years in service, full pay for four weeks and half pay for nine weeks. In the case of employes who have not been two years in service, heads of departments will be permitted the same discretion as heretofore, in continuing pay during temporary illness.

In the case of death resulting from accident in and due to performance of work for the company, an insurance amounting to three years' pay will be paid to the dependents of the employe, the maximum payment being $5,000.

In the case of death resulting from sickness or from accident outside the business, the payment will be one year's pay for employes who have had ten years or more in service and one-half of one year's pay for employes who have been from five to ten years in service, the maximum payment being $2,000.

COMPENSATION ACT AND AMENDMENTS

Compilation of Opinions by Charles Earl Shows Defects of the Act.

At the request of Secretary Nagel, Charles Earl, Solicitor of the Department of Commerce and Labor, has recently brought together and published all the opinions of the solicitor dealing with the government workmen's compensation act, approved May 30, 1908.

The act of the above date extended the benefits of workmen's compensation to "any person employed by the United States as an artisan or laborer in any of its manufacturing establishments, arsenals, or navy yards or in construction of river and harbor or fortification work, or in hazardous employment or construction work in the reclamation of arid lands or the management or control of the same or in hazardous employment under the Isthmian canal commission."

The act was broadened March 4, 1912, in that it was made to "apply to all employes under the Isthmian canal commission when injured in course of their employment."

The act was again amended March 11, 1912, and held to "apply to any artisan, laborer, or other employe engaged in any hazardous work under the Bureau of Mines or the Forestry Service of the United States."

The last amendment of the act up to date was passed July 27, 1912. The benefits of the act were "extended to persons employed by the United States in any hazardous employment in the Lighthouse Service."

The volume contains 240 opinions that were referred out of a total of 5,564 cases of injury: Judging from the opinions rendered, it would appear that there is a conviction on the part of officials that the act should be still further amended or enlarged as follows:

1. The beneficiaries should not be limited to "artisans and laborers" employed in "manufacturing establishments" or other enumerated branches of the government service. The act should cover (a) all artisans or laborers employed by the United States, irrespective of the place of employment, and (b) all other persons employed by the United States engaged in hazardous employment. There is no reason why a carpenter or machinist employed in a navy yard should receive compensation for an injury while a carpenter or machinist employed in a military post, or other branch of the service not enumerated, should not (see Op. VII, 5 p. 116.) There is no reason why artisans and laborers should be compensated for injuries, while a foreman or superintendent (Op. III, 8 p. 60), a transitman or surveyor (Op. III, 20, p. 76), or a dockmaster (Op. II, 26 p. 87) should not. A reasonable classification would exclude persons of an official, professional, business, or clerical type from the benefits of a scheme of compensation for industrial injuries; but this would be accomplished practically by including among the beneficiaries only those persons, other than artisans or laborers, who, as here suggested, are engaged in hazardous occupations.

2. The injury compensated should not be limited to injuries "by accident," or "accidental" injuries; the element of accident as a necessary condition should be eliminated. The act should cover diseases contracted in the course of employment (see Op. XI, 6 p. 166), or at least occupational diseases (see Op. XI, 6 p. 172), as well as disabilities coming on by degrees (see Op. XI, 16 p. 195.)

3. For injuries resulting in temporary disability, the amount of compensation allowed (the same pay for one year unless sooner able to resume work) is sufficient. For injuries resulting in permanent disability or death, the amount of compensation now payable is grossly inadequate. In the case of permanent disability, e. g., the loss of both eyes, the pay should continue for five years at least, or better, at a reduced rate after the first year for life. In case of death, compensation should be paid to the dependents for more than a year, but at a reduced rate; in the case of children over sixteen, for five years; in the case of the widow, for five years, unless she sooner remarries; in the case of young children, until they reach the age of sixteen; in the care of dependent parties, or a dependent widow, for life.

4. The rate of compensation should be less than the full pay now allowed; say 75 per cent thereof. This is desirable in order to discourage malingering. The effect of this need not be to diminish the total compensation payable, since, as above suggested, the period of payment may be extended.

5. The "waiting period" of fifteen days to bring an injury within the act is desirable to retain in order to elimnate trivial claims. Its tendency in practice is bad, since it encourages a prolongation of trifling hurts (Ops. XVII, 6 p. 472, et seq.). On the other hand, on principle, the right to compensation for one day's incapacity is as clear as for ten.

6. What constitutes a "dependent" should be defined. In the absence of a statutory definition it is exceedingly difficult in practice to determine satisfactorily who are, and who are not, dependent (Op. XX, 4 p. 467.)

7. The limit of ninety days, within which a claim for compensation must be filed where the injury results in death, should be removed. The purpose is to bar stale claims and to bring the matter to issue before it is too late to ascertain the facts. Any fixed period, however, is necessarily arbitrary. The force of circumstances, as under this act, may often lead to delay without laches, resulting in much needless hardship and injustice (see Op. XXIII, 1 p. 495). The purpose in view can as well be accomplished by requiring the claim to be filed within "a reasonable time," as in the case of injuries not resulting in death (Op. XXV, 2 p. 536.)

SANITATION OF RAILROAD TRAINS.

To Commissioned Medical Officers, Public Health Service:

Hereafter all commissioned medical officers of the Public Health Service, when traveling under official orders on trains and vessels engaged in interstate traffic, will make such observations as may be practicable of the sanitary conditions of the trains and vessels on which they travel and the stations and wharves at which they stop. The results of these observations will be noted in a report to be submitted to the bureau upon completion of the travel authorized. This letter does not authorize officers to conduct formal inspections or to give instructions or offer advice to employes of common carriers. The making of the observations mentioned is desired solely for the information of the bureau and for the compilation of facts relative to the sanitary conditions prevailing in interstate traffic.

RUPERT BLUE,
Surgeon General.

Approved:
FRANKLIN MacVEAGH,
Secretary of the Treasury.

THE NATION'S BUSINESS

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Co-operative Rural Credit; Its Significance Explained

In the past twelve months the papers of the United States have used the words, "co-operative rural credit" very extensively.

The subject is one of extreme novelty in the public mind, and, by reason of the foreign terms used in any attempted description of co-operative rural credits, there has been much confusion of thought relative to the subject.

Because the subject is so new, few of those who write about it have come to the use of definite terms. For instance, in a recent statement descriptive of foreign methods, the terms "co-operative credit," "land credit," "mutual banks," "rural banks," "land mortgage banks," together with the foreign words "Raiffeisen," "Schultze-Delitzsch," "Landschaften," "Ritterschaften," are largely used interchangeably and therefore fail to leave a clear impression of what is intended.

Yet the whole subject of co-operative rural credit can be reduced to exceedingly simple terms and when so reduced, its important relation to the future of the United States is at once seen.

CITY AND COUNTRY CONTRASTED.

Wealth consists of possessions, not necessarily money. Money is only a symbol of wealth. The power of money has in recent centuries been greatly enhanced by the invention of credit, which is another term for confidence in mutual transactions.

The benefits of credit have been confined very generally to residents of cities, and the result has been that transactions in terms of money are more active in the city than in the country. For instance, a merchant can, on his character and assets, secure short-time loans. With these he discounts bills, uses his money in all the varied transactions of his business and then casts it back into the bank at the expiration of the short term. That money being borrowed for a short time and used rapidly, is engaged profitably and yet has borne only the burden of interest involved in a short-time transaction.

Contrast with this the conditions that have existed and do exist in the country, and it will be seen that a mortgage involving the tying up a man's land for a period of years and placing in his hands the total amount of the mortgage at the beginning of the transaction puts him at a great disadvantage compared with the merchant, for, burdened with the total amount loaned, it is highly probable that he cannot engage more than a portion of his money in profitable enterprise and therefore the active portion has always to bear the burden of interest on the whole mortgage and the burden of accumulating the amounts wherewith to repay.

Furthermore, land in the United States is outlawed by all the national banks through the regulations controlling them. Following in the steps of the national banks, State banks show very little favor toward land transactions. There is nothing particularly sinister in this outlawry of land, because the idea lying back of it is that all paper held by banks must, in preparation for emergency, be easily transformable into money. This is not possible in relation to long-time mortgages.

A $40,000,000,000 ASSET.

The value of agricultural land in the United States is probably more than forty billion dollars. If now, some device or method can be worked out whereby this tremendous and basic asset becomes available for the establishment of credit and for the activities of short-time loans and all other transactions of banking, it will be seen immediately how tremendous and how reassuring a stimulus will come to the business life of America.

The agitation of the subject of co-operative rural credit represents the endeavor of earnest thinkers to bring about so important a change. Research on the subject leads immediately to Europe, where, in the time of Frederick the Great, a method was worked out in Germany for trading in land bonds in the money markets and thus giving to the land owners the means wherewith to carry on co-operative banking transactions. Then about the middle of the last century methods were worked out for giving to the peasant farmer, of character, who need not necessarily own any land, the means whereby in his own small transactions he could have the full advantage of banking facilities through co-operation with neighboring peasant farmers of character.

The details of the system are not important except when the subject is to be discussed technically. The results obtained, however, are vastly important, for if the peasant farmers of Germany alone could in one year finance transactions representing over a billion dollars and the popular banks of the cities could in one year carry on transactions greater in amount than three billion dollars, then it is probable that the peculiar genius of America can lead to still greater things.

MORE THAN MONEY INVOLVED.

There is beneath the agitation of this whole subject something vastly more important than mere money transactions. A right solution of the rural financial problems of America will tend to stop the political and economic dangers arising from the drift of the people to cities. It means permanent preservation of the conservative element, who having a stake in actual land possessions give balance and judgment to the thought of the nation.

Part of the rush to the cities is due to the fact that real money is, in the case of vast numbers of small farmers, seldom handled. Another impulse comes from the disappointment of seeing the earnest labor of a season going practically for naught, owing to lack of co-operation in marketing methods.

The establishment of co-operative rural banks means more than credit. It means the ability to co-operatively purchase and to co-operatively sell, and thus will bring to the rural life of America an element of independence, or assurance, and of hope that has been lacking during the period of immense material progress of the cities during the fifty years just ended.

SHOULD BE STUDIED ABROAD.

There is an element of danger in the discussion of the subject that has gone forward during the year. It is that various unrelated efforts to solve the problems of rural finance will be made throughout the States, some of them based upon a complete misunderstanding of the object sought. At the conference on co-operative rural credits, held in Nashville last April, under the auspices of the Southern Commercial Congress, delegates from twenty-seven States were unanimous in proposing the formation of an American commission made up of two representative men from each State of the Union to go abroad in 1913 to study European methods. The idea of having representatives from each State was that thereby the interest of the rural elements of each State would be fastened upon the transactions of the entire commission and thus in a short time the agricultural body of America become aroused to the significance of the effort. Furthermore, two trusted men from each State would during the entire trip be sifting their experiences and working out methods of adaptation to their own State; for the development of "co-operative rural credit" in the United States must be along the lines of adaptation—the problems of a cotton grower are quite distinct from those of a market gardener; the problems of an irrigation farmer are quite distinct from those of a sugar planter.

The test to be applied to any project for land credit in the United States is conveyed in one question, "Is it co-operative?" If it is not co-operative, then it is not kin to the methods that have so benefited Europe.

THE CHAMBER AND CONGRESS.

The Chamber of Commerce of the United States, in announcing its purpose of keeping the commercial organizations affiliated with it informed as to the introduction and progress of bills in Congress affecting business interests, utterly disclaims the intention which some newspapers have imputed to it of becoming a critic of Congress, or in any other way adopting a hostile attitude toward it.

On the contrary, one of the main purposes for which the chamber was formed is to co-operate with and aid the Congress of the United States to secure reliable information as to the commercial needs of the country as a whole, as expressed in an authoritative way by the chamber of commerce and trade organizations acting in concert and after due deliberation.

The national chamber is not a lobbying institution and will be conducted in the strictest spirit of non-partisanship. It has no ends to serve beyond the development of commerce, and the expression of business opinion upon national matters, which it gathers through referendum to the commercial organizations, is for the information of Congress as much as for the information of the Executive.

SECRETARIES SHOULD READ.

Many secretaries know Herbert N. Davison, of Worcester, Mass., an important member of the American Association of Commercial Executives. The letter that follows was written in October to all commercial organizations in New England. It makes good reading:

On December 7, 1912, His Excellency, the President, in a message to the Congress declared: "Some central organization, in touch with associations and chambers of commerce throughout the country, and able to keep purely American interests in closer touch with different phases of commercial affairs, would, I believe, be of great value."

Pursuant to this suggestion some 700 persons representing over 300 commercial organizations met at the Capital of the Nation on April 23 last, and organized the Chamber of Commerce of the United States of America.

This body, in seven months, has grown to be the most influential trade organization this country has ever seen.

Three of its directors are New England men, and I believe, as I believe that I am alive, that there is no section of the United States that needs so urgently to affiliate with this great business body at once as does New England.

We are, as you know, in the midst in this country, of a great economic upheaval. What the outcome of the election this fall will be no man at this writing can accurately foretell, but one thing is certain, whoever is electel President, tariff changes are impending that will seriously affect New England—affect her agriculturally somewhat—affect her industrially to a marked degree.

The Chamber of Commerce of the United States of America is, one might say, a quasi-governmental organization, and it is going to prove eventually the business clearing house of the United States. The very fact that it has a Federal charter gives it a unique standing among business bodies. It will not only be able to secure information from the general government, never obtainable before by any of us, but it will be able to talk to Congress for the business men in a way that that body has never, up to this time, been addressed by anybody.

Can we afford here in New England to neglect this opportunity to exploit our business interests at Washington? Can we afford to neglect this chance to affiliate with the most important business organizations in America?

I am inclosing you herewith the copy of the magnificent address delivered by the brilliant president of the Chamber, Harry A. Wheeler, before the Union League Club of Chicago, and I bespeak for it your most careful reading, containing as it does, his masterly presentation of the possibilities open to the constituent bodies included in this new national movement.

I am also sending you an application blank and the tentative plan of organization of the National Chamber.

I want you to read every word of this material, and then urge upon your directors the advisability of immediately identifying yourself with this great body, particularly because the next annual meeting is to be held in Washington, commencing Tuesday, January 21, 1913, and I am extremely anxious that New England shall be largely represented at this meeting. It is imperative that she should be.

You will find that the very reasonable dues charged by the Chamber are enumerated on the back of the application blank, and I want you to know that not the least of the privileges obtained from your very small expenditures for dues will be the receipt of a copy, regularly, of The Nation's Business, the organ of the National Chamber—a publication interesting, informing, invaluable to even the smallest body.

As president of the New England Association of Commercial Executives I indorse the Chamber of Commerce of the United States of America to the highest degree. I was instrumental in its formation. I have assisted in shaping its policies and I can assure you and you can assure your members that if there is such a thing as an absolute democracy in this country where the smallest organization gets a square deal alongside the biggest it is the Chamber of Commerce of the United States of America. Our delegates literally meet upon the level and part upon the square.

Send the application of your organization to D. A. Skinner, assistant secretary, Riggs Building, Washington, D. C., and if there is any further information I can give you don't hesitate to call on me.

Yours for the cause,
(Signed) HERBERT N. DAVISON,
President New England Association Commercial Executives.

THE PROFESSION OF SECRETARY.

In recent years the world of business and statesmanship has come to recognize the importance of the office of secretary. Several secretaries to the various Presidents have developed into great leaders of affairs, and in all directions one may see the rapidly growing importance of the secretarial profession. The modern secretary is a business man, an organizer, a diplomat, a strategist, a mixer, and an all-around man of versatile ability. The organization that succeeds best is the one which obtains the best available ability for its executive office and backs up the work of its secretary and pays him a salary somewhere near what he would earn if he applied the same work and ability to a private occupation.

It is a fatal blunder to put a weak or nominal secretary in an important office and then expect results. The secretary of a commercial organization should not be treated as a menial or an office boy whose opinion is not asked, but who may be blamed if anything goes wrong. The associations which are doing effective work are those that dignify the office of secretary and whose members are not above taking his advice and giving him their united support. The secretary, if he is worthy of his office, should be trusted. He has fully as much at stake as any member, and if given a free hand can carry the work of his organization to success.

In these modern days the great man of affairs must have a good secretary, and the trade association that tries to engage an executive and then do the work itself is on the wrong track.—Shoe and Leather Weekly.

COMMISSION ON ECONOMY AND EFFICIENCY.

Wm F. WILLOUGHBY
M. O. CHANCE
HARVEY S. CHASE
W. W. WARWICK
F. A. CLEVELAND
FRANK J. GOODNOW

The personnel of the Commission is as follows: Chairman, Dr. Frederick A. Cleveland, former director of the Bureau of Municipal Research of New York City; William F. Willoughby, at one time secretary of Porto Rico, and president of the Executive Council of Porto Rico, later Assistant Director of the Census, and who now occupies the chair held by President-elect Wilson, as professor of political economy and government at Princeton University; Walter W. Warwick, who has been associated with the administration of affairs of the Canal Zone as deputy auditor Isthmian Canal Commission, examiner of accounts of Isthmian Canal Commission, auditor of the government of the Canal Zone; Frank J. Goodnow, professor of law of Columbia University, New York since 1883, and delegate of the United States government to the first Congress of Administrative Science at Brussels, 1910; Harvey S. Chase, who has been expert for regulation of finance for the State of Ohio and the city of Boston, and is at present president of the Massachusetts Society of Public Accountants, and trustee and member of executive committee of American Association of Public Accountants, and Merritt O. Chance, the secretary of the Commission, auditor for the Post-office Department.

List of the More Important Reports Made by the Commission on Economy and Efficiency.

1. Outline of Organization of the Government of the United States.
2. Report on Methods of Appointment of Officers and Employes.
3. Consolidation of the Lighthouse and Life-saving Work.
4. Report Recommending the Transfer of the Work of the Revenue Cutter Service from the Treasury to Commerce and Labor.
5. Report Recommending that the Offices of the Six Auditors of the Treasury be Consolidated into One Office under One Auditor.
6. Report Recommending the Abolition of the Returns Office in the Interior Department, where copies of all contracts of the War, Navy, and Interior Departments are filed for public inspection.
7. Report on expenses of travel of officers and employes.
8. Report concerning the best methods of handling and filing correspondence and the use of labor-saving devices in connection with correspondence work.
9. Report on distribution of government publications from the Printing Office instead of from the departments.
10. The advantages to be gained in the use of window envelopes in the government service.
11. Economy in the use of the photographic process for copying documents, maps, drawings, &c.
12. Report on the retirement of superannuated employes.
13. Report on the need for a National Budget.
14. Numerous reports on the accounting and reporting methods of the government with recommendations concerning the installation of accounting systems to produce promptly and accurately the information needed for current use and for making regular and special financial reports.
15. Report on the establishment of an independent health service.
16. Report with recommendations concerning the administration of the United States Patent Office.

The group shown above is of the men who brought together, under great difficulties, the data needed for evolving the plans for a national budget. Their presentation of this aspect of governmental economy and efficiency was condensed in the last issue of The Nation's Business, and has since been sent out as a referendum to the constituent members of the Chamber of Commerce of the United States. The form of the referendum was as well adapted to secure a proper expression of opinion as was the report of the Commission on Economy and Efficiency to attract attention to the subject as a whole.

The referendum made a pamphlet of fifteen pages. The impartial character of the referendum is indicated by the table of contents printed below.

1. Statement of Question.
2. Argument in Favor of Plan for a National Budget.
3. Argument Against Plan for a National Budget.
4. Accompanying Documents:
   - Exhibit A—"The Budget as a Means of Locating Responsibility for Waste and Inefficiency," by Frederick A. Cleveland, Chairman of the Commission on Economy and Efficiency.
   - Exhibit B—Endorsement of Plan for a National Budget, by Leading Firms of Public Accountants.
   - Exhibit C—Extract from Speech of Congressman John J. Fitzgerald of New York, Chairman of the House Committee on Appropriations, in Opposition to the Submission of a Budget.
   - Exhibit D—Applicability of Budget Plan to American System of Government (Reprinted from Hearings Before Subcommittee of House Committee on Appropriations).
   - Exhibit C—Copy of Letter sent by the President to the Secretary of the Treasury Relative to the Submission of a Budget to Congress, September 19, 1912.

Both sides of the question were adequately represented.

The Chamber of Commerce of the United States will take no official attitude toward the subject of a national budget until after the vote has been **received in response to the referendum** blanks sent out

THE ADAPTABILITY OF THE EUROPEAN CO-OPERATIVE CREDIT SYSTEMS TO MEET THE NEEDS OF THE AMERICAN FARMER.

Quotations from President Taft's Letter to the Governors, and from Ambassador Myron T. Herrick's Report.

Quotations from the President.

1) A study of the recommendations of Ambasador Herrick convinces me of the adaptability to American conditions of the co-operative credit plan.

2) I suggest also the formation of co-operative mortgage-bond societies, along the lines of the Landschaften societies of Germany, provided that uniform State legislation can be secured to govern their organization and operation.

3) The need for the establishment of an adequate financial system as an aid to the farmers of this country is now quite generally recognized. The governmental initiative, taken by the Department of State under instructions issued by my direction to the diplomatic officers in Europe on March 18 last, has been effectively supplemented by the American Bankers' Association, the Southern Commercial Congress, and by many other bodies by whom this question has been agitated, and valuable work has been done in studying and disseminating knowledge of those great instrumentalities which have been created in foreign lands to extend to their agriculturists credit facilities equal in benefits to those enjoyed by their industrial and commercial organizations.

4) The handicap placed upon the American farmer through the lack of such a system and the loss sustained by the whole citizenship of the nation because of this failure to assist the farmers to the utmost development of our agricultural resources is readily apparent.

5) It will be admitted that the security offered by the farmer in his farm lands is quite as sound as that offered by industrial corporations.

6) Obviously, the advantage enjoyed by the industrial corporation lies in the financial machinery at its command. The farmer lacks this machinery, and lacking it, he suffers unreasonably. This is not theory. Through all the changing conditions of a century the soundness and practicability of financial machinery based upon the peculiar credit needs of the agriculturist has been tried out, and so successful has been its operation that in Germany, in times of financial stress, money has been taken out of the commercial field and placed in the keeping of that empire's agricultural co-operative banks for safety. Through this machinery the German farmer has received money at rates lower than those current in commercial loans.

7) The advantages to be gained by the adoption of this plan go beyond the direct saving in interest charges to the farmer.

8) All this can be done, and I am convinced that in this country it must be done, by the efforts of the farmer himself.

9) The most essential point to bear in mind is the need for the assumption by the Federal and State government of the responsibility for economically and honsetly conducted institutions.

Quotations from Ambassador Herrick's report to the President:

10) In Europe the agricultural banks and credit facilities were created before agricultural or even general education was attempted. The United States began at the opposite end; but the results would have been far greater if financial education had gone hand in hand with this work. It would have led to the study and introduction of the rural banking methods of Europe generations ago.

11) Co-operative Credit Associations: In France and other countries they hold a record of having never lost a cent . . . . They do one-third of the banking business of Italy; while the combined amount of their operations in Germany equals that of the commercial banks . . . . They keep millions of dollars of petty sums in circulation which except for them would be idle and hoarded.

12) There were nearly 6,000 banks in Austria. The membership was over 725,666 and the loans ran over $86,500,000. In Italy 690 banks that furnished reports had a working capital of over $170,091,946. In Germany there is one bank for every 1,600 of the population, and the total business done was over $4,888,000,000.

13) It is remarkable that the farmers of the United States have been so slow to adopt this system of banking.

14) The co-operative credit associations have been of incalculable value to agriculture in Europe. There is no question on this point, and the investigation so far conducted shows quite as conclusively that such societies could be of great benefit to farmers in many parts of the United States.

15) An equitable portion of the millions of dollars pouring into the postal savings banks might be loaned to or deposited with them, thus putting these funds to safe and productive uses.

16) The Landschaften Idea: It has been tested and proved by over 130 years of success.

17) German Mortgage Banks: The Imperial Government watches over them all. The supervision is carried out by royal commissioners and extends to the minutest detail. These inspecting officials have the right to verify the securities and cash on hand, and demand information regarding every separate transaction. They may also send a representative to general meetings of stockholders and to sittings of boards of directors and take all measures that may seem fit to enforce the proper conduct of business.

18) The 12,000,000 farmers of the United States are adding over $8,400,000,000 to the national wealth each year. They are doing this on a borrowed capital of $6,040,000,000, on which $510,000,000 of interest is annually paid. Counting commissions and renewal charges the rate is averaged at 8½ per centum for this country as against 3½ or 4½ per centum for Germany. If the American farmers had a thoroughly organized system of mutual credit societies they would not only save this difference of 200 or 250 millions of dollars to themselves individually, but in course of time the entire debt would be transferred to the societies, the interest paid to them, an economic waste stopped, and this stupendous sum restored to agriculture. The assertion is neither fanciful nor extravagant.

19) Credit is indispensable to every business. It is the means whereby one dollar is made to do the work of fifty dollars.

20) The rural mutual credit societies have made the farmers not only their own bankers, but by aiding co-operation in all its branches, have also enabled them to become their own merchants, buying supplies at wholesale and selling their produce directly in all the nations where they flourish the best.

21) The Landschaften and other mortgage institutions have evolved the true theories of the mortgage-loan—never tried in America—and have made real-estate securities so safe, convertible, and cosmopolitan that in Europe they sell as readily as government bonds.

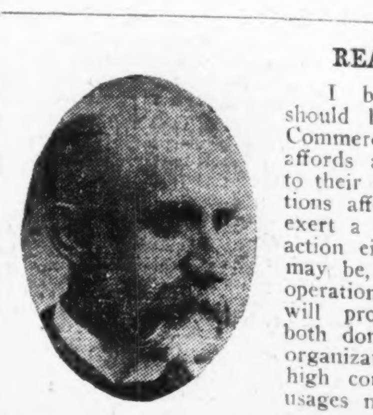
22) The $385,000,000 of foodstuffs exported last year barely equalled 76 per cent of the annual interest charges on the debts the farmers owe.

23) The trouble is the lack of capital and the remedy lies in financing the farmer and the landowner. This is the indisputable conclusion logically reached from examination into the actual conditions and from comparisons furnished by recent European history. The solution of the problem concerns the general welfare as much as does the currency and monetary reform.

24) The land-mortgage bank bonds will not circulate freely nor far from the place of issue unless they are known to have the same underlying values and give the same rights to the holder, regardless of whether they be secured by mortgages in Texas, Massachusetts, or in any other State.

25) Every effort should be made to secure the uniformity so much to be desired in State laws, and to give a proper direction to any Federal legislation which should be proposed.

REASONS THAT WILL CONVINCE


JOHN P. TRUESDELL,
Director,
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I believe that commercial organizations should become members of the Chamber of Commerce of the United States, because it, (1) affords a means for them to give expression to their carefully considered thought upon questions affecting commercial welfare, and also to exert a determining influence in securing right action either congressional or governmental, as may be, upon such questions; (2) makes co-operation possible in advancing measures that will promote the commerce of the country both domestic and foreign; (3) will assist the organizations in establishing and maintaining high commercial standards, and in correcting usages not consistent with such standards; (4) to carry influence the National Chamber must be made representative by having in its constituent membership the commercial organizations of the entire country.